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NEWS SUMMARY

GENERAL

Iraq seizes Iran land

Iran confirmed that Iraq seized territory during fighting along the countries disputed border in the past week. Three days *ago the Iraqi claim was* vehemently denied.

Iran will not confirm Iraq's claim that the territory seized totals 80 square miles, because "the situation is changing constantly."

Iraq *says* the occupied territory is close to Khorramshahr, the Iranian *oil-producing* centre near the Gulf. Iran Press reports, quoting the military command, suggest that Iraqi forces have also occupied territory in Kermanshah and Ilam provinces.

Meanwhile, no firm date is set for the start of a debate by *Iran's Majlis (Parliament) on* the fate of the U.S. hostages. The *Majlis* decided to discuss tomorrow a report by its foreign affairs commission recommending that the issue be considered in open session. **Back Page**

Polish reaction

The first police intimidation of workers since Poland won the right to set up independent trade unions was reported in Kielce last week. State radio will broadcast Roman Catholic Mass weekly from this Sunday but journalists say censorship is as strict as ever.

AUEW decision

The future of three *major* changes to the Labour Party's *constitution hangs* in the balance after the AUEW decided to support Opposition leader James Callaghan against them. **Back Page**

Air fares cut

BA and Lufthansa agreed to cut air fares between UK and W. Germany. B. Cal. awaits official reaction to its plans for cheaper Continental fares. ***Page 4***

EEC meeting

Common Market Ministers meet in Brussels today to discuss the Turkish coup, Polish unrest and prospects for a W. European *Middle East initiative.* ***Page 2***

Boost for Carter

Stronger public confidence about the U.S. economy has helped President Carter draw level with Ronald Reagan in a second national opinion poll in the Presidential Election preliminaries. **Page 2**

Canada decision

Canada's Premier Pierre Trudeau and his Cabinet this week decide whether to turn *the country's constitution* into a Canadian document unilaterally. ***Page 2***

Policing soccer

Gwilym Roberts, *MP, will ask* the Home Secretary to introduce legislation to compel football clubs to pay the full costs of police protection at matches.

Bridlington battle

Five people were in hospital yesterday as Bridlington recovered from Saturday's two hours of fighting between 400 mods, rockers and skinheads.

NF marches

Police made 23 arrests during a National Front march through an immigrant area of Preston. Lancs, which was opposed by Anti-Nazi League members.

Briefly . . .

Brazilian Nelson Piquet *in a* Brabham won the Italian Formula One Grand Prix at Imola.

Two crofters whose sighting led to Hercules the TV bear's recapture on Saturday share a *£1,000 reward.*

BUSINESS

OPEC pledge on oil prices

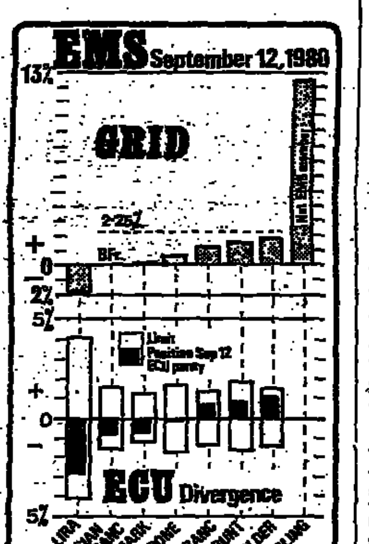
● **OPEC** Ministers, meeting in Vienna to consider a long-term oil price strategy, stressed that there would be no immediate general rise in prices. **Back Page; Feature, Page 21**

● **THIRD WORLD** countries *have made progress* in their efforts to phase out flags of convenience. **Back Page**

● ***SANTA FE*** Industries and Southern Pacific, western U.S. railway rivals, have abandoned plans for a \$1.2bn (£496.9m) merger. **Page 28**

● **INTEREST** in financial markets tended *to centre around* sterling and gold last week, leaving the European Monetary System unchanged. The Dutch *guilder* remained the strongest currency, followed by the Irish punt and the French franc. Denmark's krone was steady around the middle of the system and the D-mark *was slightly firmer* than Belgium's franc. The *Italian* lira was generally weak, remaining at the bottom of the system.

Sterling, the only Common Market currency outside the EMS, fell on fears of lower London interest rates, but *recovered when Minimum Lending* Rate was unchanged. Gold rose sharply on news of the military coup in Turkey and ahead of today's OPEC meeting in Vienna.



The charts show the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

● **YUGOSLAVIA** is expected to try to obtain a major Eurocredit for its National Bank at this month's IMF meeting. **Page 25**

● **CAR COMPONENTS** industry is to be investigated by the *Monopolies Commission.* **Page 6**

● **ATTEMPT** to curb gifts *offered to* buyers in larger companies *and* local authorities has been started by the Institute of *Purchasing and Supply.* **Page 4**

● ***BENDIX*** *president resigned* as a top management reorganisation of the U.S. company was announced. **Page 28**

● **JOHN FOLKES HEFO,** which operates an open-die forge at Kidderminster, is likely to approach British Steel soon for its Sheffield forging interests. **Back Page**

LABOUR

● **BRITISH STEEL** is having talks with unions on a further reduction of 1,000 in the workforce at Corby. **Page 4**

● **JOURNALISTS** on London weekly newspapers started an official strike over a weighting allowance. **Page 6**

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Oil states transfer £1.2bn in gold from Switzerland

BY DAVID MARSH

IRAQ and three other Middle Eastern oil states have transferred about 145 tonnes of gold worth £1.2bn from Switzerland *this year, according to Swiss* customs' statistics.

The figures provide one of the first definite indications of the rapidity with which oil exporting countries are building up stocks of gold as a major investment for their rising payments surpluses.

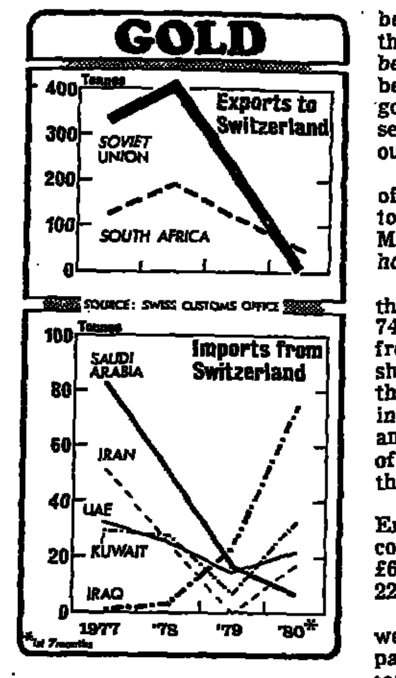
Movements of gold around the world are traditionally *among the best-kept international* financial secrets. Increased flows to the *Middle* East have been accompanied by a sizeable drop in bullion supplies this year both to Zurich and to the other main international trading centre in London.

South Africa and the Soviet *Union, the world's leading gold* producers, have substantially reduced their direct sales to Switzerland, which is normally both countries' main sales outlet to the West.

According to the Swiss figures *the last Soviet delivery to* Zurich was made in January.

There have been increased sales from the rest of the Eastern bloc, with Bulgaria making unusually large deliveries in recent months.

South Africa, which is known to be withholding some gold production to help boost prices has reduced its direct deliveries to Switzerland by about a quarter, compared with the 1979 average. Sizeable amounts of gold have, however, reached Zurich via London.



The growing imbalance between supply *and demand* on the world's bullion market has *been the principal factor* behind the steadily increasing gold price. Gold closed at a seven-month high of \$687.50 an ounce in London on Friday.

Bullion dealers ascribe part of its \$55 gain so far this month to increased demand *from the* Middle East after the summer *holiday lull.*

In the first seven months of this year Iraq transferred about 74 tonnes of gold worth £640m from Switzerland, the figures show. This was well up from the 23 tonnes moved to Baghdad in the whole of 1979 and amounted to about 20 per cent of Swiss gold exports so far this year.

Kuwait, the United Arab Emirates and Iran imported a combined 71 tonnes worth £600m, sharply higher than the 22 tonnes they moved last year.

Saudi Arabia's gold imports were well down at 8 tonnes compared with the average *50* tonnes a year imported in the past three years.

The imports figures show the movements of newly purchased gold and of previously bought gold stocks which the owners

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Money Markets, Page 25

More pressure on Cabinet for economic policy change

BY PETER RIDDELL AND RICHARD EVANS

CONCERTED PRESSURE from both wings of the Conservative Party and industry, as well as the trade unions, for an early *change in economic strategy* will face the Cabinet when it meets for the first time in six weeks on Thursday.

Treasury ministers share the view of City financial markets that the trend of interest rates is now *downwards, though no* decision has yet been taken on *when or by how much Minimum* Lending Rate will be reduced.

What seems certain, however, is that if there is no meaningful reduction in interest rates before the Conservative Party conference in Brighton, from *October 7 to 10, there will* be growing disagreement within the Cabinet over how much longer present policies can be maintained.

So far the powerful group of sceptics within the Cabinet has remained publicly loyal to the Treasury, but some ministers *are increasingly doubtful over* the success of monetary policy and the uneven impact the squeeze is having on industry.

Doubtful

The timing of the MLR decision will be determined by the trend of money market interest rates and by whether there are signs of a slackening in the demand for credit after the recent *rapid growth. The official* preference is still to wait at *least until the September money* figures are available early next month, just before the Tories meet.

Mr. John Biffen, Chief Secretary to the Treasury, commenting yesterday on reports that MLR would be cut by 2 per cent before the Brighton conference, said it was "extraordinary" speculation. In his view it would be appalling for a government's *central policies to be adjusted* or trimmed for extraneous political, rather than economic, factors.

His message, echoing Mrs. Thatcher's statement last week, was that the Government would *stick to its guns and not be* diverted by criticism. "The *Government will* not put at risk its overall strategy by bringing down MLR too soon," he declared on BBC Radio's World This Weekend programme.

Significantly, however, money market interest rates have fallen *sharply in the last two weeks.* Three-month interbank rate—a key influence on the cost of part of the clearers' deposits—has dropped by amost one percentage point to just over 15¼ per cent. The Treasury bill rate on Friday was consistent with an MLR of 15 per cent, against *the present 16 per cent.* This could bring forward a cut.

There are increasing signs that the Government will act in anticipation of a *slowdown* in *the rate of growth* of sterling M3, the broadly defined money supply. References are now being made, for example, to the moderation already apparent in M1, the narrowly defined money supply, and to the rise in real *interest rates following the slow*down in the inflation rate.

*The Government has, how*ever, been forced to be cautious so far because of the 8 per cent jump in the money supply in July and August. Some of this can be explained away by reference to the unwinding of past distortions. But, after allowing for all special factors, the underlying rate of monetary growth *is still probably well above the* official target range.

There *is* no question of any change in the targets of the medium-term financial strategy, as set out last March, though whether they can be achieved a *growing number of City economists doubt.*

Proposals

Recent monetary problems *have, however,* given a fresh impetus to quite separate discussions about whether techniques of short-term monetary control ought to be changed. *Consultations* had been meandering along with few *signs of official enthusiasm* since the government's consultative Green Paper was published in March. But now economic ministers have become more interested in proposals for more director control over the *monetary* base of the banking system.

Ministers and most of their advisers are still cautious in view of the practical difficulties of switching to a full scale moneary base system. One *possibility* is that there might be moves in this direction, *which might mean sharper* fluctuations in interest rates, but without significantly disturbing present institutional arrangements in the City.

The Treasury and the Bank of England are holding a *seminar of bankers, financial* market participants and *academics on September 29.*

CBI to attack policies, Back Page
Heseltine plan to curb spending, Page 4

BR runs full tilt into trouble

BY LYNTON McLAIN

BRITISH RAIL *has cancelled a* very important train which was to have taken a very important person from Euston Station to Glasgow tomorrow.

Mr. Norman Fowler, the transport minister, was to have travelled on British Rail's advanced passenger train—the first *in* the world to tilt carriages on bends for the added comfort of passengers —at 150 miles an hour.

Owing to mechanical difficulties with the train, now standing somewhere between the rail workshops at Derby and the Glasgow *maintenance* sheds, British Rail has found that, after £37m in development costs, its newest, smoothest and fastest train has a tendency *to make passengers feel* sick.

Ministerial sickness was clearly not what BR *had hoped to* get out of the proposed journey. The high speed jaunt was to have been the prelude to *regular commercial services* with the advanced passenger train, *starting on October 6.*

British Rail has told Mr. Fowler it needs the trains if it is to keep, and later *expand,* its 27 per cent share of the total market of 20m passengers a year on the route. BR believes the APT, even with its reduced *operating* speed of 125 mph—and best journey time of four hours and 10 minutes to Glasgow—can capture 9 per cent of British Airways' *shuttle passengers.*

BR is also convinced the train will make a 20 per cent *return on capital and will* interest foreign buyers, including the Japanese.

But *even on the track BR has* not found it easy to translate the drawing board theory of tilting trains into a commercially workable engineering *solution.*

The mark 1 version of the tilt system worked perfectly on the original experimental advanced passenger train.

But somewhere on the line of *progress towards the current* APT-P (P for prototype) the mark 2 system began tilting passengers and carriages too late for comfort. Instead of *tilting* to take account of an approaching bend, as a cyclist *would,* the system titled only on contact with the bend. Passengers were not prepared and discomfort resulted.

A mark 3 version had the "bend-sensors" moved forward so that carriages behind entered the bend "knowing" a bend was approaching.

However, the change involved substantial new design work and the APT-P is now almost an "experimental train" because of the complexity of the changes made to the tilt system.

Because of the problems the train, when it enters service, will run at conventional speeds and Glasgow will still be five hours away from London.

National docks strike nearer

BY GARETH GRIFFITHS

A DELEGATE CONFERENCE of dockers in London today is likely to approve a national docks strike, following the decision yesterday by Liverpool dockers to take *industrial* action if redundant dockers *are transferred* to a temporary unattached register.

A mass meeting of about 3,000 Liverpool dockers voted unanimously to go on strike if 170 dockers employed by the Merseyside stevedoring company T and J Harrison *and* 10 employed by Bulk Cargo *Handling Services* are transferred to the list. In the past the Temporary Unattached Register has been used for disciplinary procedures or short-term redundancy.

Dockers' leaders in the Transport and General Workers' Union have warned the government the *strike could spread* to all Britain's ports. The Government will not intervene and ports such as Liverpool and the Port of London are already on the verge of bankruptcy.

Redundancy payments of around £10,000 each are *expected to be offered to the* 180 dockers on Thursday by the Liverpool Port Employers' Association in an attempt to avert the strike. However, Mr. Dennis Kelly, the chairman of the Liverpool docks shop *stewards* said redundancy pay was not an option in an area with such high unemployment as Merseyside.

He said the dockers' meeting reaffirmed the stand the union was taking over the Temporary *Unattached Register.* Dockers would immediately strike if the register was *used* and docks outside the national dock labour scheme such as Felixstowe had promised support.

Mr. Kelly said the dockers wanted a return to the principles of the Aldington Jones agree*ment whereby unemployed* dockers are taken on by other *port employers.* The delegate conference will strongly echo these sentiments as shop stewards in other ports are afraid the use of the temporary unattached regfilster could lead to many redundancies.

The delegate *conference's* decision is likely to be confirmed *by the TGWU's national docks* and waterways group which has found unanimously against allowing the redundant men to go on the unattached register. Any strike would have to be approved by the union executive's meeting this week.

Turkish junta seems firmly in control

BY METIN MUNIR IN ANKARA

TURKEY'S new military rulers are likely to stick to the letter of the \$1.65bn (£687m) three-year standby agreement negotiated with the IMF in June.

The generals are also expec*ted to maintain the programme* for economic stability formulated by Mr. Suleyman Demirel, the deposed Prime Minister, at least until longterm policies can be formulated.

The programme has deepened the economic recession and caused much hardship to low *income groups*—including the army. However, the junta *apparently feels it* has no alternative but to carry on.

The generals are also clearly aware of the need to reassure Turkey's foreign creditors, who will look to the IMF for the seal of approval. Turkey's *foreign debt stands at \$16bn,* and the outgoing government had been preparing to ask for more credit as well as to reschedule \$3bn (£1.25m) of existing loans.

Without these funds the junta may not be able to *pro*vide the population of 45m with *some basic necessities.*

The generals yesterday banned strikes an lockouts and ordered workers to go back to work today. Employers were ordered to award these workers a 70 per cent pay increase in *the form of an advance on future* pay increases to be settled in collective bargaining between workers and management.

A limited number of other industrial workers will be given a 70 per cent pay increase on *the same conditions.*

The six-man junta, which seized power *in a coup last* Friday, seem to be firmly in control of the country and to enjoy widespread support.

With the constitution and Government abolished and former political leaders sent *into exile, absolute power rests* in the hands of General Evren.

He has declared himself Head of State, and is expected to name a Cabinet by the weekend. He has said in private that he intends to take things slowly because he wishes to establish an "entirely neutral Government" with members not affiliated to any of the political parties which he himself suspended.

According to first indications, the military junta will follow a middle-of-the-road policy, *stressing Turkey's ties with the* West and abiding by the previous regime's stringent stand-by agreement with the IMF.

The military's first priority is to reduce political violence, *which has claimed more than* 5,000 lives in the last two years *and brought Turkey to the brink* of civil war.

To achieve this, the country has been put under martial law and the generals given a free hand to fight armed Communist and Fascist terror *groups in any manner they* see fit.

Hundreds of people, *including* suspected terrorists, provincial party chiefs and unionists, are being rounded up for interrogation. All political activity has been banned and all but a few charitable associations shut *down.*

Strikes have been banned. More than *70,000 metal and tex*tile workers who have been on strike for months are expected to return to work.

The mayors of many cities, *including Istanbul and Izmir,* have been replaced by officers. About 100 Members of Parliament, most of them of Kurdish origin or holding extrame Leftwing, Right-wing or Islamic views, are in detention.

The *generals* are working on legislation to establish special courts to mete out summary justice to terrorists.

Also under preparation is a temporary constitution which would give legitimacy to the deeds of the junta until democracy is restored. General Kenan *Evren has promised to restore* popular rule after a new constitution has been drawn up and other points in his programme are fulfilled. His stay in power may be prolonged

Mr. Alparslan Turkes, chair*man of the ultra right wing* Nationalist Action Party, gave *himself up yesterday morning* after hiding for two days.

Mr. Turkes's armed right wing supporters have been responsible for most of the terror which spelled the end of democracy in Turkey for the third *time in 20 years.*

● An army captain was shot dead by unknown gunmen while on patrol in the southern Turkish town of Adana today. Local police say he is the first military victim of violence since Friday's coup.

Turkish coup 'inevitable,' Page 2

Carter draws level as confidence in the economy grows

BY DAVID BUCHAN IN WASHINGTON

STRONGER PUBLIC confidence about the U.S. economy has helped President Carter draw level with Mr. Ronald Reagan, his Republican opponent, in a second national oponion poll in recent days.

A survey by the Washington Post published yesterday gave each of the two main candidates 37 per cent support in its sample of the electorate, with Mr. John Anderson, the independent, trailing at 13 per cent.

The latest poll came as a senior Government economist made the surprise prediction that gross national product in the current July-September quarter would not show a decline after all, but instead some growth. If confirmed, this would mean that in a narrow sense the U.S. did not go into recession this year, although the April-June quarter recorded a very sharp drop in national output of 9 per cent at an annual rate. The technical definition of recession here is GNP decline for two successive quarters.

Ronald Reagan: no longer out in front

Of the post polling sample, only 27 per cent now felt they would be worse off economically a year hence, compared to 47 per cent in April when Mr. Reagan was chalking up big leads in the polls.

But a trend towards economic recovery will only help the President at the November ballot if voters give him the credit for it.

But housing scene gloomy

BY IAN HARGREAVES IN NEW YORK

RECENT SHARP rises in U.S. interest rates are beginning to have a negative impact on U.S. housing—a key sector.

According to a recent survey by the National Association of Homebuilders, an increase in home mortgage rates from 11.5 to 13.75 per cent has been enough to suggest that housing starts in September will be lower than in August.

A week ago, Mr. William Miller, the Treasury Secretary, said interest rates had probably levelled out, but there is concern in some quarters in the Administration that the tight money policy being pursued by the Federal Reserve may be jeopardising the current economic recovery.

The construction industry, which is one of the largest sources of employment in the U.S., was the first to show evidence of recovery from the sharp down turn in output precipitated by the Fed's imposition of strong credit controls in March.

Monthly housing starts rose strongly in June and July and the Government is expected to report another strong performance for August.

But according to a survey carried out in the last 10 days by the homebuilders' association, 63 per cent of builders now consider the prospects for the industry to be poor.

Banks and savings institutions which deal in home loans have also started to report a tail off in demand. The builders' association expects work to start on only 1.2m homes this year, compared with 1.7m last year.

Turkish coup 'inevitable', say industrialists

David Tonge in Istanbul finds that post-coup attitudes vary. While many welcome the increased personal security and businessmen appreciate the promised continuity of economic policy, some trade unionists were defiant and anxiety was expressed for those arrested by the armed forces.

PAST THE HIREM cake shop on the Asian side of Istanbul and beyond the posters proclaiming the next bout between Turkey's traditional wrestlers, lies the Seimiye barracks, headquarters of Turkey's first army and of the Istanbul martial law authorities.

This huge building dominates the south end of the Bosphorus and it was there that Florence Nightingale worked during the Crimean war. The museum to her was closed on Sunday. But elsewhere in the barracks the soldiers were greeting visitors with the same assurance and lack of self-doubt that they have shown throughout Turkey since seizing power in the early hours of Friday.

There is no doubt about the firmness of their commander's grip. To drive through Istanbul requires passing a dozen checkpoints. Armoured personnel carriers of Korean war vintage, with ammunition ostentatiously loaded, have been brought in to guard all main vantage points such as the Galata bridge. Soldiers with bayonets guard the local branch of the central bank, scruffy national servicemen in gendarmerie uniform line the walls in outlying districts, sailors in white guard the main financial centre.

The soldiers have been applying martial law in Istanbul for 20 months but their approach during the last three days is far more determined than the relatively relaxed atmosphere when the politicians were still in office. The sight of a youth being marched along with two rifles pointed at his back helped to underline yesterday why the military are being taken seriously.

The political slogan writers who used to come out each night now know that they will be shot if seen. The walls are clean. Pickets and strike banners have gone from outside the numerous factories. For many, and in particular the middle classes, it is a time for relief.

"I no longer worry whether my son will return from school alive," is a common refrain. To this extent, normality has returned to a country where the assassination rate was reaching 20 people a day.

In many ways life goes on as normal. The World Conference on Earthquake Engineering was able to end on time and the fashion show of Vakko, the local Harrods, attracted crowds at the Istanbul Hilton.

But elsewhere, particularly in working class districts which had come to be dominated by one side or the other of Turkey's polarised political forces, a different atmosphere reigns.

There the arrests have been many and there is often concern about how prisoners are being treated. The visitor finds suspicion and anxiety. For both unions and businessmen there are more questions than answers.

"Our leaders have been arrested but our strike will continue," one trade unionist said quietly in a café in the industrial area of Alibey Koy, although a decree yesterday ordering workers to go back to work may change his mind. He was one of 55,000 workers whose strikes have brought the metal-working industry to a halt and affected many other sectors. Before the coup, a further 300,000 workers were expected to come out on strike shortly.

Mr. Demir Aykor, general manager of ELMET, a factory specialising in castings for the motor industry, said he was not sure whether the workers would turn up at his factory today. They had been picketing for three months.

Like many industrialists he felt the coup was inevitable. He said that the military had started with good intentions but he also warned that their "good feelings" might end with an authoritarian regime in power if they failed to make a rapid transition to civil rule.

That concern was also voiced by Mr. Ali Kocman, head of an industrial group which includes a vehicle assembly plant, chrome mining, and shipping. Mr. Kocman was head of Tusiad, the Turkish industrialists and businessmen's association, until it, together with all other professional associations, was closed by the military last week.

"We do not only advocate private enterprise but democracy, too. We fully support the commander's promises, but we should maintain certain reservations about the future." Mr. Kocman added that the troubled internal situation was the first priority but employers must be careful not to forget that workers, too, had social and economic rights.

However, both Mr. Aykor and Mr. Kocman stressed that strikes were only one of their problems. "Factories are only working at two-thirds of the level of last year and then they were at three-quarters of their capacity," Mr. Kocman said.

Factors mentioned by the industrialists, apart from stoppages, include shortages of electricity but their particular concern is a fall in domestic demand and an extreme squeeze on liquidity following the tough money and credit policies introduced by the last Government.

These policies, which form part of an austerity programme backed by the International Monetary Fund, are generally endorsed by businessmen. They welcome the way that Mr. Turgut Ozal, architect of these policies, is to continue working with the new Government.

Latin America 'deeply in debt'

LATIN AMERICA is deeply in debt, especially to the foreign commercial banks, and could be approaching a crisis in its financial relations with the outside world.

This is the sombre message delivered by the 1979 report on economic and social progress in Latin America published yesterday by the Washington-based Inter-American Development Bank, Hugh O'Shaughnessy writes.

From 1972 to 1979, the bank says Latin America's foreign borrowing "showed an unprecedented fivefold increase in value in response to the financial needs of the region whose growth also accelerated when the normal shortfall in resources for regional development was compounded by balance of payments deficits caused by exceptional factors."

Private external capital flows to the region rose "exponentially" from about $627m in 1961-65 to $20.2bn in 1978. The bank suggests that the total external indebtedness of Latin America at the end of 1978 was more than $150bn.

S. Africa blacks form union group

A new black trade union grouping, representing 30,000 workers, and dedicated to the creation of an indigenous black union leadership in South Africa, was founded in Johannesburg yesterday, Quentin Peel reports. Creation of the Council of Unions in South Africa (CUSA)—the fourth trade union umbrella body in the country—underlines the increasing organisation of black workers. It is the second body representing the independent black unions, which reject any domination by or sponsorship of white unions. Ten existing unions, all but one based in the Transvaal, have joined

Polish Press protest

Polish journalists in Krakow have charged that censorship policies are as strict as ever, despite agreements last month between the Government and strikers, which promised greater freedom in the media, Christopher Bobinski reports from Warsaw. The charge, in a letter sent to the central authorities by the official journalists' association in Krakow, demands that journalists be "no longer manipulated by the party authorities."

Fiat talks today

The Fiat car company, union leaders and the Italian Government will be looking for a compromise when they meet again today to discuss the company's plans to lay off thousands of workers, Reuter reports from Rome. Fiat, Italy's biggest private company, has already started procedures to dismiss 14,000 workers and is determined to cut 24,000 from the pay roll over 18 months.

Marchais to stand

M. Georges Marchais, the French Communist Party chief, will be a candidate in the French Presidential election in 1981, he said yesterday, AP reports from Paris. President Giscard d'Estaing is expected to seek another seven-year term and is favoured to win the two rounds of voting on April 26 and May 10.

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Mideast on EEC agenda today

BY JOHN WYLES IN BRUSSELS

EEC FOREIGN Ministers open their autumn season meetings in Brussels today with an agenda dominated by discussion on possible future involvement in the Middle East peacemaking process.

On this issue, the Nine want to give the appearance of building on the EEC's fact-finding mission to the area in July and August. But they have no intention at this stage of committing themselves to any definite initiative.

Any peace bid will not emerge until after the U.S. Presidential elections on November 4. Meanwhile, the Nine believe that continued activity by the EEC may be a useful counter to general scepticism in the Middle East that the resumption of Camp David negotiations in the next few weeks is anything more than a ploy to help the Carter re-election campaign.

It will not be surprising if the Ministers agree to send another emissary back to the area in October. But it is unlikely this would be M. Gaston Thorn, Luxembourg's Foreign Minister, who will be reporting today on his July and August visits.

M. Thorn is returning to Israel on September 29 to meet West Bank Palestinian majors, but his obligations as President of the Council of Ministers and President-Elect of the European Commission will not, it is thought, allow him enough time to make a fresh tour in October.

The aim of the second mission would be to seek clarification of some of the points brought back by M. Thorn, while satisfying the need to fill time until after the U.S. elections.

There are no signs that the Nine are yet ready to align themselves on the more basic issues which will eventually be posed by a concrete initiative. During their political co-operation discussions, the Ministers may well also find time to review recent events in Poland and Turkey.

In the formal Council of Ministers discussions, the main task facing the Nine will be to frame a negotiating mandate for the Commission on Zimbabwe's application to join the Lomé Convention—the EEC's trade and aid arrangements with 59 African, Caribbean and Pacific countries.

Attempts at official level to settle the mandate have stumbled over the terms to be offered covering imports of Zimbabwean sugar, beef, and tobacco. But there is likely to be an agreement that the European Development Fund should be expanded by about 75m Units of Account (£45.7m), to accommodate Zimbabwe's membership.

Mugabe pays secret visit to guerrilla camp

BY OUR SALISBURY CORRESPONDENT

ZIMBABWE'S Prime Minister, Mr. Robert Mugabe, paid a visit to his ZANLA guerrillas in a ceasefire assembly camp near the white farming settlement of Mtoko, 100 miles east of Salisbury, at the weekend.

Unsure of his reception, Mr. Mugabe and his military commander, Rex Nhongo, barred all Salisbury-based journalists from entering the camp, code-named "X-Ray," while the Prime Minister's visit went on. The visit went unreported by the state-controlled radio and television.

Mr. Mugabe's visit marked a shift away from his previous practice of leaving the running of the assembly camps in the hands of Mr. Nhongo. Tension still exists at Camp X-Ray, which ranks among the most troublesome of the 14 assembly camps.

The 1,000 Libyan-trained ZANLA contingent has mounted four attacks on the Mtoko police camp in the past month and two policemen have been killed. Only 31 white farmers still live in the area—more than 60 fled during the bush war—and a dozen of these 31 are threatening to leave. Farmers say it is now doubtful whether a viable commercial farming community can be maintained there.

Mr. Mugabe's visit to Camp X-Ray is seen as a clear indication of his concern over guerrilla morale in the camps, and of the importance he places on preventing unrest from spreading.

Some 35,000 bush fighters reported to the assembly camps after December's ceasefire, but only 2,000 have so far been inducted into operational battalions of the new army. The rest have become increasingly bored and disillusioned with what they consider the meagre spoils of victory.

Trudeau summons Cabinet after constitution failure

BY JIM RUSK IN OTTAWA

CANADA'S Prime Minister, Mr. Pierre Trudeau, has summoned his Cabinet and the Liberal Party caucus to meet this week to decide whether to take unilateral action to turn the country's constitution into a Canadian document. At present Canada is governed in accordance with the British North America Act passed by Westminster in 1867.

The meetings this week follow the failure of constitutional talks including the Prime Minister and the leaders of Canada's 10 provinces.

The breakdown came on Saturday when the conference failed to reach consensus on a reform package that could be forwarded to London by the end of the year, as the Federal Government had hoped.

The 10 provinces were able to agree among themselves on a number of constitutional issues during the week-long conference, but major differences remained between them and the Federal Government. In particular, there was no agreement on an amending formula for the constitution.

The issues on which the conference foundered was provincial refusal to accept a charter of rights including linguistic rights for French Canadians living outside Quebec and English Canadians within Quebec and stronger authority to protect the Canadian common market.

Without provincial acceptance of the charter, Mr. Trudeau refused to yield to provincial demands for provincial control of offshore resources, a provincially appointed upper house to replace the Senate, and stronger provincial powers over inter-provincial trade, natural resources, fisheries and communications.

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CONTRACTS AND TENDERS

COMPANY NOTICES

DAVIES & METCALF LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the Company will be CLOSED from 24th September 1980 to 26th September 1980, both dates inclusive.

By Order of the Board,
R. ALLEN, Secretary.

Injector Works,
Romiley, Cheshire.

PORTUGAL'S GENERAL ELECTION

Confusion, with the mixture much as before

BY JIMMY BURNS IN LISBON

IN PORTUGAL, the abundance of grafitti is defended on the grounds that in a country that has the highest illiteracy rate in Europe, there is a need for eye-catching symbols and simple slogans. But at the start of the three-week election campaign leading to the General Election of October 5, the habit threatens to confuse rather than clarify.

Posters have mixed past campaigns with present and future ones, so that the observer is hard pressed to retain a sense of time and place. Posters of the 1976 general election have overlapped with posters of last December's poll and these in turn are being superseded by allusions to next month's vote.

Meanwhile, ardent militants have pasted up photographs of their presidential candidates,

President Eanes

even though the presidential campaign does not begin until November. The confusion on the walls is an apt symbol of the complexity of present-day Portuguese politics.

The present election has been provoked not by any immediate political crisis, but because the constitution demands it. Last autumn, President Eanes called a snap election following the Budget defeat of Sr. Carlos Mota Pinto, the independent caretaker Prime Minister, and the failure of the political parties to come up with an alternative.

The General Election brought to power for the first time since the 1974 Revolution a Right-wing Government committed to radical reform. Its term in office was, however, limited on account of a constitutional stipulation that the next four-year legislature could only begin after a general election in October 1980.

On paper, the main players in the coming election are much the same as they were 10 months ago. The ruling Democratic Alliance is pledged to putting the Portuguese Revolution even more into reverse than it has been already. The economy is to be opened up further to the private sector, the state sector is to be trimmed, the Left-wing military to be taken out of politics, and Portugal is to be put on a firmly pro-NATO pro-EEC footing.

In direct opposition is the United People's Alliance, an electoral grouping led by Portugal's orthodox Communists. Western Europe's most Stalinist party has come round grudgingly from the restless militancy of revolution to the caution of parliamentary politics. But the Communist Party in its manifesto remains dogmatically Marxist-Leninist, committed to the "conquest" of the 1974 Revolution, and virulently anti-NATO.

Between the two poles is the Republican and Socialist Front led by the Portuguese Socialist Party, which was runner-up in last December's general election. The FRS led by Sr. Mario Soares, the former Prime Minister, sees itself as the moderating force in Portuguese politics, and is out to convince the electorate that the democratic alliance and the Communists left to fight it out alone would lead Portugal towards a new totalitarianism.

Decisions

The Portuguese voter would be facing a straight choice between three electoral alliances were it not for the overshadowing question of the presidential election due in December. More than any other issue during the last few months, the question of who to support as candidate has stirred the passions of both the Government and the leading opposition party.

The Parliament and the Government that will emerge from the October 5 general election will face a period of crucial decisions involving not just the revision of Portugal's socialist constitution but also the terms of Portuguese membership of the EEC.

Given the divisive nature of Portuguese politics, it is unlikely that the necessary political consensus will be achieved without a strong president at the helm.

The present Prime Minister, Sr Francisco Sa Carneiro, is fighting his campaign on the basis that Gen. Eanes must be replaced if the necessary political and economic reforms are to be brought about during the next four years. He has closely linked his own campaign to the issue of the presidency by declaring that he will resign if Gen. Eanes is re-elected.

The FRS, however, is backing Gen. Eanes to the hilt, since they consider that the Government's own candidate, Gen. Antonio Soares Carneiro, would only succeed in taking Portugal even further down the road to dictatorship.

EEC talks aim at new tariff scheme

By Paul Cheeseright

OFFICIALS FROM the nine EEC countries sit down in Brussels today to start what could be a protracted series of discussions aimed at devising a new generalised scheme of tariff preferences (GSP). The target is to reach agreement by the end of the year when the present scheme expires.

The decisions taken are likely to reflect internal pressures within the EEC to hold back imports. They will have an important impact on the North-South dialogue about the international economic system.

The GSP system has been adopted in varying forms by industrialised countries, and it gives special tariff treatment to the products of developing countries. The idea is simply to encourage industrial development and boost Third World export earnings.

The EEC's scheme came into force in 1971 as a measure of trade liberalisation, but, like schemes elsewhere in the industrialised world, it is operated solely at the discretion of the Brussels authorities.

Three factors will weave in and out of the talks, revolving around changes proposed by the Commission:

- The benefits to the developing countries have been slender because they were narrowly-based;
- The administration of the present system has become excessively cumbersome for the benefits conferred either on exporters or importers;
- Developing countries attach importance to the retention of a GSP system as an earnest sign of goodwill.

The first of these factors has led to the Commission seeking to differentiate between the beneficiaries. At present the Community starts from the principle that industrial products from 146 countries should have duty-free access to the EEC and then qualifies the principle by separating out certain categories of products.

Lion's share

What the EEC has not done is discriminate against any particular country. But the lion's share of the benefits of the scheme, worked out on the basis of the value of GSP imports, has been taken by seven countries—Yugoslavia, Malaysia, Hong Kong, India, South Korea, Brazil and Romania, in that order.

The Commission now plans—and this is in accordance with Whitehall thinking and the recent report from a House of Lords select committee — to limit imports from those countries selling what are termed sensitive products when they have proved themselves competitive.

The word "sensitive" has a technical connotation within the GSP scheme, and it is at this point that the cumbersome administration of the scheme becomes a factor.

Limitations have been placed on the quantities of certain types of imports. There are 15 sensitive products, subject to a quota of imports, 81 semi-sensitive products, where there is an EEC ceiling on duty-free imports, and 28 hybrid products, where exporting countries have a share of a specified amount of EEC imports before duties come into play.

There is a special regime for textile imports, related to the Multi-Fibre Arrangement (MFA). And then there is a list of about 1,700 non-sensitive products where, in practice, no limits are imposed.

Uncertainty

Importers complain especially about the sensitive and semi-sensitive products. There is, they argue, an atmosphere of uncertainty. In some cases the total quota is exhausted within a few hours of it being opened on the first day of the year.

The Commission's response, in its new plan, is to reduce the number of categories of goods to sensitive — 94 products — and to non-sensitive.

The controls on the sensitive products would be mixed. There would be quotas in some cases on a country-by-country basis and, for 30 products, there would be a ceiling on imports.

As talks go forward there is also likely to be considerable argument about what is sensitive and what is not. Whitehall, for example, is under presure from the chemical industry, among others, about the problems posed by imports. Officials have to chart an ill-defined path between the protectionist demands of local industries under stress and the principle of liberalisation that the GSP is supposed to represent.

On the other hand, there has been some build-up of pressure from developing countries for a more liberal scheme.

This pressure undelines the view that, although the effect of the GSP scheme is modest with only a narrow margin of preference, it does have a role within the EEC's wider development programme.

Patricia Newby in Canberra examines the dilemma facing Australia's trade negotiators on the eve of their Common Market talks in Brussels

Protectionist claim threatens to backfire

MR. DOUGLAS ANTHONY, the Australian Minister for Trade and Resources, arrives in Brussels today for talks with senior EEC officials. He is determined to see that Australia is not put at any disadvantage by future EEC decisions on a sheepmeat regime.

"We have got to be firm. There is no use talking politely," he said just before his departure.

Referring to a threat to divert A$1bn (£485m) of Australian buying away from the EEC in retaliation for any adverse effects caused by a sheepmeat regime, he said, "Since we announced we would react I've had a lot more interest and attention than I've ever had before."

Mr. Anthony intends to continue his attack on EEC trade policies. Australia sees the common agricultural policy (CAP) as going far beyond protection of European rural industries. He is particularly concerned about the effect on world markets of highly-subsidised EEC farm exports.

This is a long-standing theme, but the threat of retaliation has introduced new tension into Australia's commercial diplomacy with the EEC. "For the first time they're starting to recognise that they might get a bit of their own medicine," he said.

The nature of this retaliation against EEC trade barriers will be discussed in Brussels on Tuesday. It has already been made clear that an Australian order for four Airbus Industrie A-300 aircraft, worth A$250m, could be a target.

But Australia has just lost one ally in its attack on what it sees as EEC protectionism.

Australia is determined to continue its attacks on the EEC's trade policies, but it will not be able to count on any support from Singapore, whose Prime Minister, Mr. Lee Kuan Yew, last week severely criticised what he termed Australia's own protectionist regime at home.

Mr. Lee Kuan Yew, the Singapore Prime Minister, said last week that Australia could not expect support for its attack on the EEC while following its own protectionist regime at home.

Mr. Lee, in a widely publicised attack on Mr. Malcolm Fraser, the Australian Prime Minister, said Australia was in danger of becoming "irrelevant" to Southeast Asia, because its trade policies were even more "backward-looking" than those of the EEC.

The attack hit one raw nerve in view of Mr. Anthony's talks in Brussels. It struck another because the Canberra Government, after a year of agonising over recommendations from the Australian Industries Assistance Commission, had recently decided not to alter the levels of protection afforded to textiles, footwear and clothing.

But the attack was also ominously like remarks made earlier this year by Mr. Finn Gundelach, the EEC's agriculture commissioner. He said simply that those in glass houses should not throw stones.

The Australian attitude on lowering its own tariffs is, at least in part, related to the forthcoming general election. The Government has argued that it could not accept the unemployment likely to result from lower tariffs.

However, there are many local economists who argue that Australia should lower barriers on labour-intensive, uncompetitive, import-substituting manufactures.

On the other hand, it is pointed out that even if the market is opened to textiles, footwear and clothing from abroad, there is a limit to the amount 14m people can buy, especially when the market is split between countries throughout South-east Asia, the Pacific and the Indian sub-continent, not to speak of Japan, the U.S. and the EEC.

The Industries Assistance Commission wants tariffs lowered as a help towards restructuring industry towards high technology products. And the Treasury is also anxious to phase out import restrictions.

The Australian position is especially sensitive as far as trade with the Association of Southeast Asian Nations (ASEAN) is concerned. Imports form Singapore, Malaysia, the Philippines, Indonesia and Thailand were worth A$1bn in 1979-1980, but exports came to A$1.4bn.

In Brussels, however, Mr. Anthony can argue for a redressing of the trade balance with the EEC. Australian exports in 1979-80 to the EEC were worth A$2.67bn, but imports from the EEC came to A$3.8bn.

SHIPPING REPORT

VLCC recovery continues

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE MARKET for Very Large Crude Carriers (VLCCs) has continued the recovery which started at the end of last month and rates are now back to break-even levels. Owners are once again considering bringing their ships out of lay-up.

The highlight of the week was an American oil major which chartered well over 1m dwt of large tankers and managed to keep the freight rates from rising above Worldscale 37.5. However, rates have since moved above Worldscale 40 and the more optimistic owners are talking of Worldscale 50 for the major Arabian Gulf/West route. To put these rates in perspective, the going rate for VLCCs a month ago was Worldscale 25.

On the route between the Arabian Gulf and the Far East, a 245,000 dwt tanker has been fixed at Worldscale 45 and there have been reports that a 230,000 tonner has been fixed at Worldscale 50.

One of the main factors underpinning the market is the large number of tankers that have been earmarked for use as floating storage vessels ahead of the winter period in the West, when oil demand traditionally increases.

Galbraith Wrightson reports, in its weekly tanker chartering report, that around 30 VLCCs and ULCCs have been chartered with storage involvement since early June.

In the dry cargo markets, the main talking point is the level of Russian chartering activity which is supporting rates in the grain trades. Galbraith Wrightson reports that several 28,000 dwt-40,000 dwt have been fixed by the Russians, and a number of other ships have been fixed secretly.

There are reports that bad weather conditions are seriously affecting the harvesting of the Soviet grain crop. As a result, there is considerable uncertainty about the overall size of its imported grain requirements.

World Economic Indicators

INDUSTRIAL PRODUCTION

					% change over previous year	Index base year
	July '80	June '80	May '80	July '79		
W. Germany	108.9	130.3	130.9	112.9	−3.5	1970=100
U.S.	138.8	141.0	144.3	152.6	−9.1	1967=100
	June '80	May '80	Apr. '80	June '79		
UK	108.2	106.9	107.2	116.0	−6.4	1975=100
Japan	142.5	143.5	145.2	132.5	+7.5	1975=100
France	132.0	131.0	136.0	132.0	0.0	1970=100
Italy	147.7	149.0	147.8	134.8	+9.6	1970=100
	May '80	Apr. '80	Mar. '80	May '79		
Belgium	123.7	125.0	125.8	127.3	−2.8	1970=100
Holland	112.0	116.0	118.0	119.0	−5.9	1975=100

UK NEWS

BSC aims to lose 1,000 Corby jobs by April

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

TALKS ARE now being held between the British Steel Corporation and the unions over a further reduction in numbers employed at the Corby works. It is understood that the corporation is looking for 1,000 more redundancies by next April, which would bring the workforce down to about 4,500 people.

This further trimming of the payroll will have serious consequences for the town. Unemployment among men is now running at 18.9 per cent compared with a national average of 9.2 per cent. The extra redundancies will push Corby's unemployment among men to near 25 per cent.

BSC announced the ending of steelmaking at Corby just after Christmas last year. At that time the workforce totalled just under 11,000, though at is peak in 1975 the corporation had provided employment for 14,000.

The ending of steelmaking meant the loss of 5,500 jobs in a town where steel employed about half the workforce. The present workforce is about 6,000, with only about 500 of those employed in steelmaking still to go.

BSC in Corby is now concerned solely with tubemaking, though a relatively small number are employed on the staff of the headquarters of the tubes division. It is from this workforce, which now totals 5,500, that the extra 1,000 redundancies will have to be found. Short-time working among the remaining men is likely to be announced this week.

The tubes division lost £34m after interest in the financial year 1979-80 out of BSC's loss of £545m. The tubes' loss was the lowest among BSC's six divisions.

BSC said that talks with the unions over the next 1,000 redundancies were going smoothly. "The unions are being very sensible. They realise we have to be competitive if we are to survive."

The need to make further cuts at Corby comes at the same time as the energetic review of BSC's UK-wide activities which Mr. Ian MacGregor, the new chairman, has instituted. This review is in addition to the current programme, started by the last chairman, Sir Charles Villiers, which pruned 52,000 jobs.

Although Corby's tubemaking activities are being pruned, the Corporation is also updating some of its activities there.

Some £45m has been spent on a small-welded development scheme which should come on stream early next year and another £12m has gone on a slipping plant

The Corporation said there was no fear of tubemaking closing in Corby because no other plant in Britain makes welded tubes.

This will be good news for Corby as it fights to attract new firms to provide work for the displaced steelworkers, a struggle in which it has already had a considerable measure of success. Last Wednesday work started on a new plant for the Oxford University Press which, when completed, will emply 180 people. Companies which this year have announced their intention of moving to the town will eventually employ 1,000.

Corby has been greatly helped by being given development area status a fortnight before the steelmaking closure was put into operation.

Since the start of this year the Department of Industry has received 47 hard inquiries for assistance towards opening in the town.

If all 47 inquiries are turned into plant openings they will create 2,700 jobs.

Banks fail to reach agreement on 'link up'

By Michael Lafferty, Banking Correspondent

THE clearing banks have failed to reach agreement on a joint system to be developed for a nationwide electronic point-of-sale (P.O.S.T.) payment system. In one developed form the idea would lead to the linking of all retailers with all bank branches throughout the country, so that deductions could be made from a customer's bank account at the moment keys were pressed on a retailer's cash terminal.

Now, the banks are to press different competitive systems. Plans for a co-operative scheme for the introduction of P.O.S.T. were outlined in a detailed report by a bank working party earlier this year.

However, in subsequent discussions it emerged that individual banks had different ideas about the scheme. It soon became clear that the necessary consensus for going ahead with a non-competitive P.O.S.T. immediately did not exist.

New CWS chief

MR. DENNIS LANDAU officially takes over today, from Sir Arthur Sugden, as chief executive of the Manchester-based Co-Operative Wholesale Society, the largest food manufacturing and wholesaling organisation in Europe.

Beer price limit

J. W. CAMERON, the Hartlepool-based brewery and subsidiary of Ellerman Lines, has asked its 400 tenants in the north east to restrict beer price rises this autumn to 1p a pint in order to boost trade. Around 70 per cent of tenants have so far agreed.

Cocoa stocks rise

A RECORD world cocoa crop in 1979-80 of 1,595,000 tonnes has pushed surplus stocks up by 158,000 tonnes to 651,000 tonnes, the highest level since 1965-66, according to the latest market report by London brokers, Gill and Duffus.

Unprofitable Concorde flights to Singapore may be cut

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS and Singapore Airlines are expected to decide soon to drop their joint service between London and Singapore via Bahrain, because of heavy financial losses and lack of traffic on the route.

The service, which began in late 1977 and is flown three times a week in each direction, is losing several million pounds a year.

Concorde needs to fill at least 70 to 75 of its 100 seats to make money, and on the Singapore run the load factor (the percentage of seats filled), has only reached about 40 per cent.

A detailed analysis of the financial outlook for the route, conducted recently, appears to have convinced the two airlines that the service is not likely to pay its way in the future.

Overall losses on all Concorde operations since they began in early 1976 with the London/Bahrain service now amount to £30m. While the London/New York route is profitable, those to Washington, Bahrain and Singapore are not.

The problem is not caused by the higher fare charged for the Concorde service to Singapore—first class plus 15 per cent. Instead, the difficulties stem partly from the refusal of some countries, India and Malaysia, for example, to allow Concorde to cross their countries supersonically. The aircraft therefore has to make extensive detours — such as round the Southern tip of India — which require extra fuel.

Technical improvements to Concorde's performance in recent years have lessened the impact of this problem, but it is still a contributory factor to the low pay loads of the aircraft on the South East Asia route.

Another problem has been the difficulty of combining traffic joining at two points—Bahrain and Singapore. A seat that is booked only between Bahrain and London has to leave Singapore empty, and passengers have sometimes been turned away at Singapore because there is no room for them on the sector between Bahrain and London.

At one time it had been hoped that Concorde might extend beyond Singapore to other points in the Far East, to Hong Kong and Tokyo, but environmental objections have effectively killed such plans, while services to Australia also seem to be no closer than they were when Concorde first went into service in 1976.

Abandonment of the London/Bahrain/Singapore route will release Concorde flying time for use on the North Atlantic routes to New York and Washington, where load factors are running at well over 80 per cent, especially to New York.

At present, British Airways has six Concordes and flies 12 times each way every week between London and New York and three times each way every week between London and Washington.

The additional flying time that will become available is expected to result in an increase in the frequences to New York to 14 flights each way weekly, and perhaps further to 16 flights each way a week during the coming winter and next spring.

Buyers try to restrict gifts from suppliers

Financial Times Reporter

AN ATTEMPT to curb gifts being offered by suppliers as inducements to the buyers in companies and local authorities has been launched by the Institute of Purchasing and Supply, a professional body of buyers who collectively spend more than £100bn a year.

Mr. Ian Groundwater, director-general of the IPS, said yesterday that his members had become increasingly worried over the past few years about the amount of gifts offered by suppliers to promote goods or services. These have been known to include billiard tables and holidays abroad.

The institute has forwarded information to the police about some of the offers and the Fraud Squad had "shown some interest."

The report lists companies and the inducements they are, or have been, offering.

Mr. Groundwater said the IPS was not interested in restricting gifts offered to sole traders or partnerships where the decision on whether to accept a gift or not was made by people spending their own money.

It was, however, concerned about the impact of such offers on buyers who act on behalf of larger corporations and could be influenced by gifts to trading with one supplier as opposed to another.

The IPS has a code of ethics and Mr. Groundwater believes such inducements have little effect on its members, but he is worried about the corrupting influence on junior members of buying departments.

He would like the Department of Public Prosecutions to bring a test case to establish whether such gifts were tantamount to bribery or were legitimate sales promotion.

If a test case is not forthcoming the IPS would attempt to draft legislation

BL to outline further cuts

BY JOHN GRIFFITHS

BL HAS called meetings at a number of plants today at which it is expected to tell unions of further cuts in production, among measures designed to gear BL's operations to the steep fall-off in demand for cars anticipated for the rest of this year.

Meanwhile, a second BL plant has invited its manual workers to apply for voluntary redundancy. The exercise, at the Austin Morris assembly plant at Cowley, is aimed only at finding out how many of the 4,500 manual workers would be prepared to leave. Those applying would receive voluntary redundancy only at BL's discretion.

The Cowley plant assembles the Morris Ital, Austin Maxi and Princess. At the start of last week, the 5,500 manual workers at BL's nearby Pressed Steel Fisher body plant were also invited to apply for redundancy, although skilled toolroom workers were excluded.

● Eighty clerical staff at Fletcher and Stuart, the sugar cane refinery machinery makers of Derby, will be made redundant in January.

● The 603 steel workers at Shelton Bar, Stoke on Trent, are to be put on short time. They will work three weeks out of four, beginning at the end of the month.

● Workers at the Tutbury glassworks, near Burton on Trent, which is to close as part of the Royal Doulton retrenchment plans with a loss of 150 jobs, have appealed for a private buyer to take over the company.

● The Welsh Consumer Council has initiated a financial advice scheme to help people with money problems as a result of the recession. Barclays Bank branch managers are available for consultation at centres such as the Citizens Advice Bureau. It is hoped that the scheme might be extended outside Wales.

Airlines slash UK-Germany economy fares

By Michael Donne

BRITISH AIRWAYS and Lufthansa have agreed to offer cheaper fares between the UK and West Germany from the end of next month. Details are expected to be announced soon. Examples of the new cheap rates include London-Dusseldorf return for £63, a cut of £53 on the normal economy return rate, and London-Frankfurt £79 against the present economy class return of £150.

The fares will be available on all flights between London, Manchester and German cities, but will be subject to restrictions. Payment must be made at booking time: any changes o reservations, cancellations, or "no-shows" will incur a penalty of up to 50 per cent of the fare

British Caledonian asks for cheap fares decision

BY MICHAEL DONNE,

BRITISH Caledonian Airways is hoping for an early reply from Mr. John Nott, Trade Secretary, to the airline's plans for cheap air fares to Europe.

Mr. Alastair Pugh, managing director of British Caladonian, said during the week-end that the airline agrees with the Air Transport Users' Committee that European air fares are too high.

He pointed out British Caledonian had reapplied some time ago for rights to fly a network of 11 cheap-fare routes from Gatwick, and was also awaiting Mr. Nott's decision on appeals for five other routes originally rejected by the Civil Aviation Authority.

Routes awaiting appeal decisions are those from Gatwick to Geneva, Milan, Turin, Lisbon and Rome.

The routes for which new licenses are sought are from Gatwick to Stockholm, Gothenburg, Copenhagen, Oslo, Frankfurt, Dusseldorf, Zurich, Barcelona, Marseilles, Madrid and Athens.

In addition, British Caledonian is waiting for the outcome of inter-governmental negotiations on cheap fares on routes to Vienna, Helsinki, Cologne/Bonn, Stuttgart, Hamburg and Hanover.

● British Airways is to cut £78 off the fare to Nairobi.

A special return fare of £280 will be available for travel in October and November.

Heseltine plan to curb spending

BY ROBIN PAULEY

THE GOVERNMENT is expected to announce new moves this week in its increasingly confused campaign against what it regards as excessive spending by local authorities in England and Wales.

Under intense pressure from the Treasury, Mr. Michael Heseltine, Environment Secretary, was forced to call for revised budgets for 1980-81 which looked like being over-spent by £700m or 5.6 per cent on the revenue account.

He asked for a cut of 2 per cent on 1978-79 actual expenditure which would have produced almost exactly the £700m he was looking for.

The move has been a failure. The new budgets have produced a reduction in projected overspending of only just over £200m. Since early projections of up to 4 per cent of overspending invariably evaporated as the financial year progresses, there is some doubt as to whether the cut achieved represents anything at all.

So the Government, in what again appears to be a Treasury rather than Environment Department initiative, has decided to act to make sure the year ends in balance on local authority spending.

The most likely move will be to reduce the amount payable as an increase order for 1980-81. This is the amount paid by the Government to make up for under-provision on inflation or other unexpected expenditure items which have arisen since budget fixing.

A general reduction would have the disadvantage of penalising those authorities which did cut their budgeted expenditure back in the revised form as well as those which felt unable to or refused.

Other options include a moritorium on capital projects, which has the disadvantage of hitting capital when the problem is in revenue expenditure, and blocking access to the Public Works Loan Fund, the Government's lender of last resort for local authorities.

Domestic rates are 'good value'

EVERY YEAR the rise in domestic rates levied by local authorities creates a hue and cry, accompanied more by emotive talk of the rate revolts than by statistics and scientific argument.

In fact, domestic rates are in many ways remarkably good value. The net domestic rate as a percentage of personal disposable income in the UK has remained stable since before the last war, ranging from 2.71 per cent in 1938-39 to its lowest point, 1.92 per cent in 1955-56.

The figure for 1978 and 1979 was 2.07 per cent, lower than in any year between 1958 and 1973.

It is true that the range of services provided has changed over the period and that for some, additional payments have to be made. Nevertheless, the pain of paying domestic rates has more to do with their "visibility" than their actual drain on disposable incomes.

The exact reverse is true for commerce and industry which has had to shoulder an ever increasing burden of the rate bill. Small businesses (fewer than 100 employees) are hit particularly hard.

With the added difficulties of the current recession, there is no doubt that high rates are contributory factors to the increase in redundancies in small business, although it is doubtful whether a rate bill salone has yet been responsible for a closure or bankruptcy, even in a declining two-man fruit and veg store.

The most recent analysis of why rates in general may be a bad tax, and why non-domestic rates are a very bad tax on business has been made by Prof. Christopher Foster, director of Cooper Lybrands, management consultants, and visiting professor of economics at the London School of Economics. He outlined his thesis to the Association of Metropolitan Authorities last week.

The central argument against non-domestic rates is that they are a charge on profits, but do not vary with the size of the profit. When profits are low, as in 1974, 1978 and now, rates become a heavier burden on business and must contribute to the loss of jobs.

"Other things being equal, reduction of non-domestic rates must be one of the main measures the Chancellor could take if he were to decide to help industry," Prof. Foster says.

The rates bill for commerce and industry has risen consistently as a proportion of profits since the reintroduction of industrial rating in the 1950s and of domestic rate relief and rate rebates in the 1960s.

Robin Pauley looks at rates rises and compares the plight of industry with the comparative value domestic ratepayers receive.

The bills of non-domestic ratepayers bear no relation to the value of the services they receive.

Business would probably welcome, therefore, the abolition of commercial rates and their replacement with the system of economic charging for services. Domestic ratepayers, on the other hand, get much more in terms of real value services than they pay for in rates.

While the proportion of domestic income paid in rates has remained stable or even fallen, the real value of local services provided since 1974—when local government was reorganised—has risen by 275 per cent.

Prof. Foster, says the average domestic ratepayer gets services worth nearly three times the real value of the services provided in 1938 for each real pound of rates.

In the same period the proportion of all the local revenue—rates, charges and grants—raised from domestic ratepayers has fallen from 30 per cent to today's level of only 10 per cent.

The non-domestic ratepayer provides the other part of this equation. He now pays 60 per cent of the total rates bill compared with 51 per cent in 1965.

Non-domestic rates raised about £4bn last year compared with £2.7bn paid in domestic rates. Central government now funds about 50 per cent of local government's total £22bn annual spending compared with less than 40 per cent in 1965 when local government's annual bill was a little over £4bn.

Companies have had to pay an increasing share of their gross trading profits in rates over the last 15 years, reaching a peak in 1975, then falling again—until last year when the percentage started to rise once more. Since 1965 the proportion of gross trading profits paid in rates has risen from 14 per cent to 41 per cent in 1975. This year's proportion is expected to be about 36 per cent.

While the government has shown itself willing, and even keen, to intervene in every aspect of local government finance it has shown no indication so far of wanting to help small businesses and industry with rate bills.

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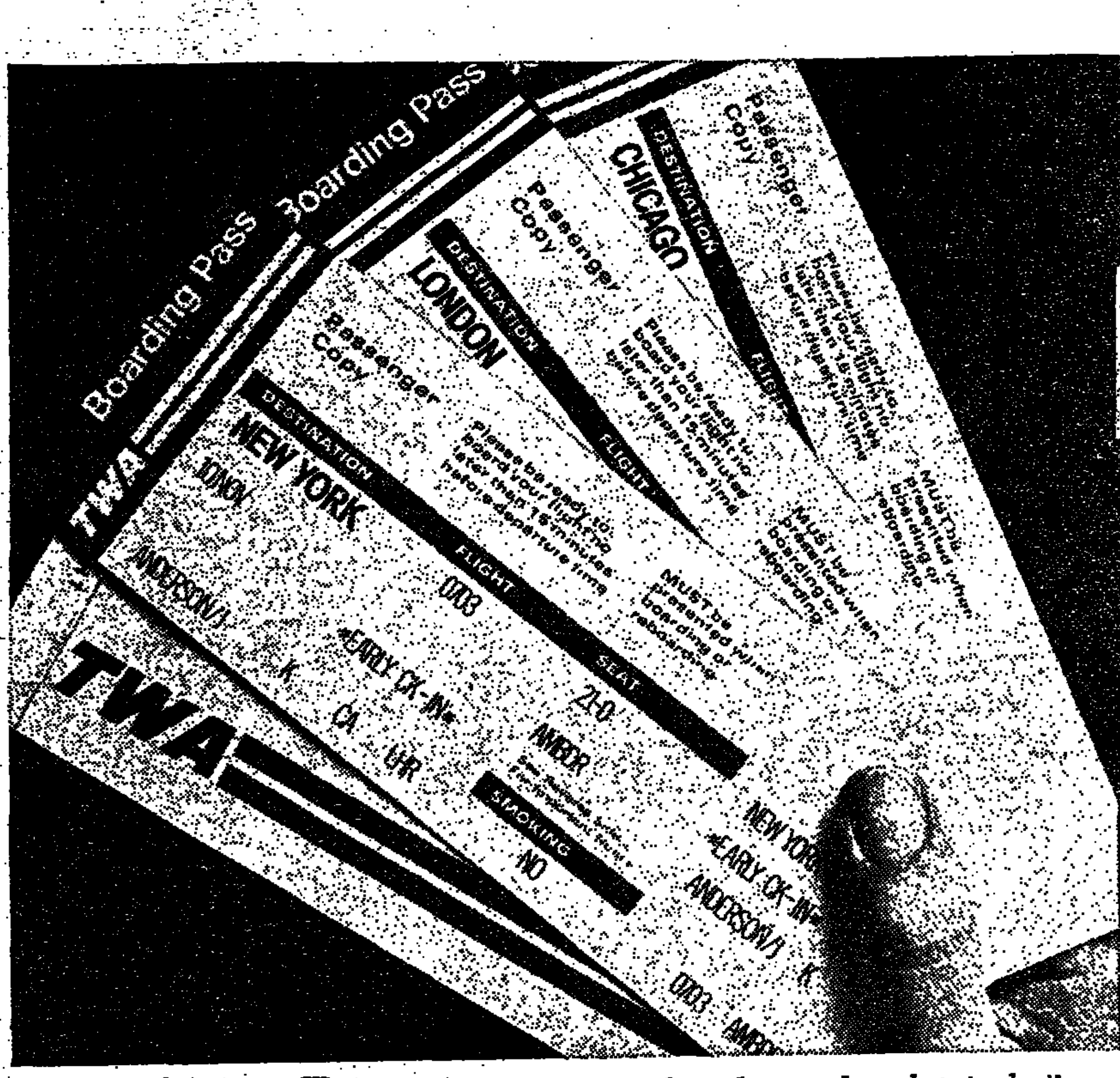

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OFT to look at car parts dealing

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE UK car components industry, which has retail sales of £1.5bn a year, is to be investigated by the Monopolies and Mergers Commission.

The investigation will be announced within the next few weeks by the Office of Fair Trading. The OFT has already written to 14 major component manufacturers and two trade associations informing them of the inquiry and asking for their comments on the proposed *terms of reference.*

The Monopolies Commission investigation, which follows a major Price Commission report on the indsutry published last year, is likely to take between two and three years to complete.

The decision to investigate the supply of car components in the UK *follows widespread concern* about the problems facing British component manufacturers as the domestic car industry declines and competition from foreign producers increases.

The main area likely to be investigated by the Monopolies Commission is the franchise for selling car spares. About 50 per cent of car spares are sold through dealers who own a franchise to deal exclusively in spares for one particular vehicle manufacturer.

Although this enables the vehicle manufacturer to provide an attractive total package of new car, replacement parts, and service, it restricts other component manufacturers from selling through the franchised dealer.

Moreover, the increase in numbers of foreign cars sold in the UK—whose spares are *also sold through franchised* dealers — means a shrinking total market for UK *component producers.*

This was recognised by the Price Commission report, which said that "the degree of effective exclusivity the franchise *system provides in the sale of* parts is in our view undesirable, in that it tends to blunt competition and to limit the access of UK produced components to the after market for the growing number of imported cars."

Ending the franchise system could also lead to lower prices of car spares for motorists. One of the Price Commission's findings, which the Department of Industry refused to allow published in the final report, was that car spares were usually much cheaper when sold through non-franchised dealers.

Oil filters and sparking plugs in particular were cited as upsually being more expensive than necesseary.

Another unpublished comment by the Price Commission likely to be of interest to the Monopolies Commission investigation was that "in some UK (component) plants, productivity could be increased substantially without any new investment."

The heavily censored Price Commission report was published only after a delay of several months, caused by the Industry Department's concern that ending the exclusive franchise dealer system would harm BL's competitive position in he UK market.

However, the problems of the specialist component manufacturers has forced the Government to take some action, although it is already being suggested that the lengthy *Monopolies Commission* investigation may be too late to prevent te industry's collapse.

Word processors look to the future

Alan Cane looks at the problems facing the word-processing companies, and their goal—*the office of the future*

ELECTRONIC word processing companies—makers of computer-based typing systems—the vanguard of the "electronic office," are seeking new marketing methods or drawing in their horns as the recession bites.

Some are going out of business altogether. Supertyper, a British word processing company based in Croydon closed down two weeks ago. It is now looking for a buyer.

John Crowe, managing director, said yesterday: "We decided initially and patriotically to market British machines, but we had problems with suppliers. Now we have found a splendid West German machine, but the cost of promoting it will be high and considering the number of suppliers in the field we thought it best to stop trading."

Others are using *radical* marketing methods. AES Wordplex, the second largest supplier of word processing systems in the UK, will announce in two weeks a system of franchises.

It is looking for 400 entrepreneurs to establish word processing bureaux, using Wordplex equipment and with help and advice from the company itself.

Michael Burden, in charge of the franchise operation for *Wordplex, says there are four* aims:

- To move 400 or more Wordplex machines in the next 30 months.
- To establish a pattern of training for secretaries anxious to learn word processing systems.
- To establish a pool of permanent and temporary staff experienced in word processing.
- To sell more Wordplex machines through the bureaux. Each bureau must sell five machines a year.

Mr. Burden says there are some 2.6m typewriters, both manual and electric, in commercial use in the UK which could be replaced by word processors, yet total market penetration for the 100 suppliers *was only 3 per cent.*

Figures from the authoritative consultancy IDC Europa suggest the market in Western Europe for word processing systems should grow between 200 and 300 per cent between 1978 and 1983.

Wordplex has prepared a package to entice its would-be franchisees—Mr. Burden describes his target as "the woman between 35 and 45 who has probably been a secretary and *now her children are off her* hands wants to return to work—but not back to secretarial jobs."

It is offering leasing arrange*ments for the initial machine,* a Wordplex II with two typing screens, and the shop fittings. The machine can be bought at 20 per cent below list price.

Mr. Burden says there are 2,500 typing bureaux in the country and 400 word processing bureaux could handle much of their work.

The first Wordplex bureau is in operation in Covent Garden, and Mr. Burden says he is already getting many enquiries.

The company, a subsidiary of the UK parent, turned over £17m last year, and there seems *no slackening in trade. His chief* problem is "letting people see the machines" and he hopes the extra exposure offered by the bureaux will help. The bureaux will be competing for sales with the Wordplex sales force, but Mr. Burden plans to aim it chiefly at larger companies.

Other word processing companies are cutting back in preparation for recession. AM Jacquard has cut 15 per cent of its U.S. workforce and has closed its direct sales offices in Manchester and Southampton.

Olivetti, one of the world's largest suppliers of office *equipment, has lead off 700 sales* and marketing staff in the U.S. and closed 15 of its direct sales offices.

There is a difference of opinion between those suppliers who believe the best chance of survival lies in a specialist approach, and those who see the way ahead in the integration of word and data processing systems.

Mr. Michael Edmiston, head of marketing for International Computer's information processing division, says customers are looking beyond the simple replacement of typewriters with word processors, to integrated systems that will handle all their information needs. The large companies which can offer such integration are profiting while the future is decidedly shaky for smaller suppliers.

The UK market today for screen-based word processors is £32m, he says, equivalent to some 4,000 screens. With 100 suppliers, individual shares would inevitably be small.

ICL reckons to be the third largest supplier of word-processing equipment in the UK behind IBM and Wordplex.

In five years Mr. Edmiston has seen 17 companies, including Flexidata, Dataplex, Remington and Siemens, get into and out of the word-processing market.

Just as the computer industry shook out a number of companies which could not stand *the pace, it looks as if only the* big groups will pass the stage of word processing to reach the office of the future.

Plant sale threatened by sit-in, union told

By Our Labour Staff

ALFRED HERBERT has told 1,000 workers at its Edgwick, Coventry plant that their nine-day sit-in for higher redundancy payments could jeopardise the proposed sale of the plant to Tooling Investments.

The sit-in—mainly by members of the Amalgamated Union of Engineering Workers and its Technical, Administrative and Supervisory Section, TASS—started in protest against the suspension of a supervisor at the plant who was working to rule. The supervisor was subsequently reinstated but the sit-in continued over the *scale of redundancy payments.*

Union negotiators have told Herbert that the pay-offs should be in line with pre*vious agreements at the* plant. These were roughly double the size of the statutory payments but this time the management is offering *only the statutory sum.*

Mr. Walter Lees, chief executive, said yesterday that the sit-in could have an adverse effect on the sale. He sent letters to employees at the weekend warning them of the consequences of their actions.

Tooling Investments is due to take over the factory, which produces lathes, at the end of the month. It has told the shop stewards it is prepared to keep on 450 workers instead of the planned 300.

The company is understood to be worried about the possibility of pickets at the plant when it takes over.

Union officials, however, have discounted the threat that the sale might not go through as an attempt to end the protest.

Journalists call strike over London weighting

BY GARETH GRIFFITHS

MEMBERS OF the National Union of Journalists employed on 33 London weekly papers and the Slough Evening Mail start an official strike today over a London weighting allowance.

About 500 journalists are affected by the dispute. NUJ members *in the provincial Press* last stopped work during the national provincial strike in 1978 and early 1979.

The Newspaper Society, the employers' organisation said at the weekend it was confident it could produce the papers in spite of the strike.

A meeting at the Conway Hall, Holborn, London, on Saturday resulted in a 149 to 107 vote in favour of strike action. Talks between the union and *the employers have been held* since June over the weighting allowance.

Offered

The union wants a £20 weekly London weighting payment for those employed within a 12-mile radius of central London. The Newspaper Society has offered £8.50 but with a new money element in the settlement. It would mean between £3 and £4 per week extra for most senior journalists on the weekly papers.

Average pay on the weekly papers is about £122 per week. The journalists whose pay settlement is dealt with by the Provincial Newspapers Industrial Council of the NUJ have seen much higher pay settlements achieved by Fleet Street chapels or office branches, already on much higher basic rates.

Mr. Noel Howell, the NUJ national organiser said some London weekly papers would not appear because of the strike *and those that did would have* no editorial content at all. The union wants a further meeting with the employers and says the claim is still negotiable.

The Newspaper Society said after the strike had been announced that it was disappointed by the decision. But an NUJ strike did not mean that papers in the London area would not appear. Member companies had shown that they could produce newspapers without journalists and also without printers.

- An NUJ working party has suggested the Press Council be replaced by a media complaints *council and a complaints commission.* The media complaints council should be funded with public money and work in the same manner as the Advisory, Conciliation and Arbitration Service.

A complaints commission, according to the working party under Mr. Francis Beckett, the union's president, should draw a majority of its members from the trade unions. The NUJ decided this year to leave the Press Council. The union now wants the opinion of its members on the proposals by September 24.

Shorter hours plea for rubber industry

By Our Labour Staff

THOUSANDS of jobs in the rubber industry are at risk unless local union negotiators try to cut the number of working hours, *says* a General and Municipal Workers' Union report published today.

The union criticises the lack of consultation in the rubber industry and says its suggestions are being taken up now only because of the threat to key sectors of the tyre sector. More than 7,000 jobs were lost during 1979 and wage settlements ran below the rate of inflation.

Mr. David Warburton, the union's national industrial officer, points out that company planning has been inadequate and problems in rubber, from footwear to hoses, have not received any national attention.

A GMWU conference on the rubber industry is to be held in Cardiff tomorrow. It will discuss the report and is likely to endorse a £75-a-week minimum wage call for the present pay round.

The union has about 21,000 members in the industry and about two-thirds of them were covered by the report's survey

Overtime working has dropped significantly, according to the report. However, the *report expresses concern that* the industry could be left behind in its efforts to reduce the length of the working week.

Engineers put pressure for better pay deal

By Our Labour Staff

A UNION has warned it will recall its national committee, the policy making body, if it does not receive a substantially improved pay offer from the engineering employers next month.

Last week the Amalgamated Union of Engineering Workers rejected a 6.2 per cent offer from the Engineering Employers Federation. The union has put in a claim for 18.5 per cent. A further meeting is set for October 13.

Mr. Terry Duffy, the AUEW's president, said after the national committee meeting at Llandudno on Saurday that the committee had voted unanimously for a recall if the offer was not considerably bettered.

Local council staff hope for 21%

BY OUR LABOUR STAFF

A UNION which has sought arbitration on a 20 per cent wage claim for *500,000 local* government workers, said at the weekend it expected wage rises in line with those of other groups in the economy.

Mr. Geoffrey Drain, general secretary of the National and Local Government Officers' Association, told a meeting of *the national executive council* on Saturday that he hoped the employers would offer a 21 per cent pay deal.

"It is precisely because local authority and health white *collar workers* have been offered less than the average of current earnings rises that their 1979-80 claims have not yet been settled," he said.

The position in the health service for union members was even worse than in local government because a 20-year-old link with the wages of civil servants had been broken, he added.

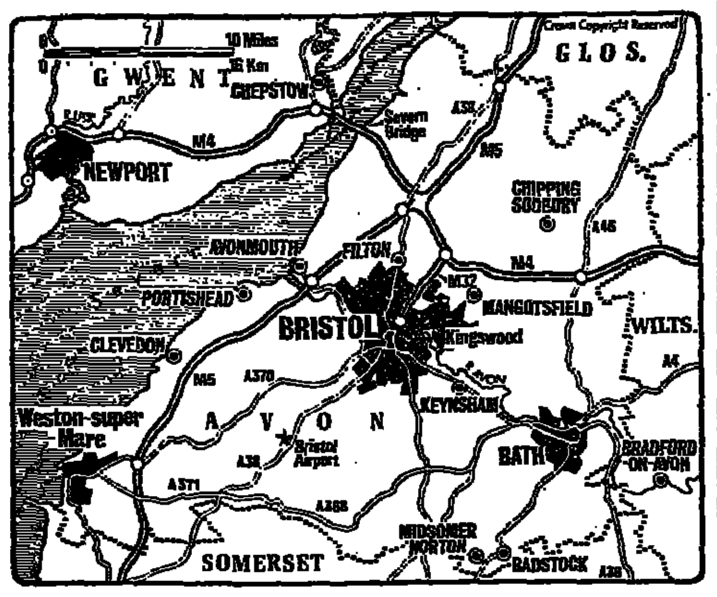
The Government has already indicated it expects a tough line to be taken on local govern*ment and health service pay* during the next pay round. Sir Geoffrey Howe, the Chancellor of the Exchequer, said last week that concepts of catching up and comparability are dead.

A settlement for local government workers was due in July. The employers have offered 13 per cent but warned that any improvements found by arbitration will mean fewer jobs and services.

FINANCIAL TIMES SURVEY

Monday September 15 1980

BRISTOL



Bristol has seen a sharp recovery in its economic fortunes during the past two years. The city is also seeing an increase in inward investment, particularly by electronic and other high technology companies.

Resilient in the face of recession

By Robin Reeves

BRISTOL IS a city which has rarely fallen on hard times and in the current recession it is once again demonstrating its economic resilience. Founded on trade and a merchant venturing tradition—it was from Bristol that John Cabot sailed in the 100-ton "Matthew" in 1497 to rediscover North America—the city's fortunes have generally prospered ever since.

Many of the traditional industries, established as a result of the city's seafaring past, continue to serve Bristol well. The city's long involvement with the wine trade—symbolised by Harvey's Bristol sherry—is as important today as ever it was. Indeed, for the past three years in July Bristol has hosted a World Wine Fair which this year attracted some 100,000 visitors. Its future as a regular annual event now seems assured.

The centuries-old connection with tobacco is represented by Imperial Tobacco, which still retains its headquarters in Bristol, and its subsidiary company W. D. and H. O. Wills of Woodbines, Embassy and Whiffs fame, which was founded in the city in the 18th century. In spite of Imperial's substantial diversification into food and packaging during the 1970s, tobacco still made the largest contribution to the group's profits in the past financial year.

Confectionery and paper and packaging are two other industries which are still very important in the local economy and which stem from Bristol's colonial and imperial links in the past.

The major manufacturing facilities of British Aerospace and Rolls-Royce at Filton and Patchway on the other hand owe their origins to the pioneering exploits of the Bristol Aircraft Company at the beginning of the century. Even so, it was entirely fitting that the city which built the first iron-hulled steamship in the middle of the last century—SS Great Britain—should also have been involved closely in the latest leap forward in transport communications—supersonic flight.

It was when faced with the rundown of the Concorde programme that Bristol first began to worry about its economic prospects. In the event, the rundown was achieved without having to resort to compulsory redundancies, but at the same time the Bristol area economy was hit by the generally more difficult economic climate which followed the 1973 oil crisis.

Anxieties were also increased by a halt in the influx of insurance, banking and credit companies which came to Bristol from London in the late 1960s and early 1970s to secure cheaper accommodation and a more amenable environment.

The city was at one stage left holding around 1m sq ft of empty office space during a period when it urgently needed new employment opportunities to replace those being lost as manufacturing industry slimmed down its labour requirements. For the first time in living memory, the rate of unemployment in Bristol in the mid 1970s rose above the national average. The city council became so concerned that it applied to the Department of Industry to be designated an intermediate development area.

Comparisons

Yet, the anxiety was misplaced. The past two years have witnessed a sharp recovery in Bristol's economic fortunes. Today, the level of unemployment, though not ideal at 7 per cent, is more than 1 per cent below the national average. The area has not been suffering anything approaching the level of redundancies and closures currently affecting many other parts of the country. Among the few major shutdowns has been Robertsons Jams, which is closing with 700 redundancies. Another 700 jobs are going over the next 18 months at Spillers' Avonmouth mill.

But more important is the amount of inward investment Bristol is currently enjoying, particularly by electronic and other high-technology companies.

The first big catch in the recent past was Sperry Gyroscope. But easily the most publicised has been Inmos, the National Enterprise Board-backed micro-chip venture. Despite strong political pressure to locate its headquarters in a development area, the company insisted early last year on locating its research and development headquarters in Bristol.

If the Inmos directors had had their way, they would also have built their first UK manufacturing plant for the mass production of memory products in Bristol also, and they said as much. In the event, the Government insisted that in exchange for pumping a further £25m into the venture, Inmos must establish the plant across the Severn estuary in South Wales.

Other important newcomers in the electronics field include GEC's Marconi Avionics subsidiary which is constructing a major new plant at Nailsea, just outside Bristol, due eventually to employ some 1,300 in the manufacture of avionics equipment. Nexos, another NEB-backed venture to produce word processing equipment is another. So is Image Data Products which is manufacturing computer terminals, ML Aviation and Hunting Engineering, part of Hunting Group, as well as a significant number of smaller enterprises.

Clearly, the momentum stems partly from Bristol's traditional large stake in the defence and aerospace industry. This sector is staying buoyant, not least because it is not the victim of either public expenditure cuts or declining markets.

Sheer proximity also makes the city high on the list of areas for expansion outside the so-called Berkshire "software belt."

There is evidence too that the watering down of regional development policy by the Conservative Government soon after it assumed office last year is also having a beneficial effect as far as Bristol is concerned.

Local industry too has rallied round. The Imperial Group has set up a new Chair of Microelectronics at Bristol University through an endowment of £500,000 over the next five years—an echo of the university's foundation 70 years ago, on a donation of £100,000 by H. O. Wills.

New concerns

The large amount of immediately available office space left after the early 1970s property boom, has also proved a valuable help in attracting new concerns. The traditional division between office and industrial premises is crumbling, since new technologies demand high quality controlled environments for their activities and office rather than industrial accommodation is often proving more suitable.

Indeed at the present time, there is only some 98,000 sq ft of space available in the city for immediate letting. A further 320,000 sq ft are under construction. Work has also just started on what Bristol has dubbed a "technology park" to the north of the city near the intersection between the M4 and M5 motorways. Known as the Aztec West development, it has been specifically designed as a location for high technology enterprises.

Despite Bristol's remarkable economic buoyancy, particularly when compared with many other parts of the country at present, the city is far from complacent. The local authorities recognise as a fact of modern industrial life it is necessary to keep up the momentum. The city council is out to win even more inward investment, particularly from overseas.

It has been exhibiting at the Hanover Fair and later this year, is launching a major promotion in California, aimed at persuading American companies to look at Bristol as an attractive European base.

Needless to say, the strong historical connections between Bristol and the New World will be emphasised.

Any complacency there might have been has been rudely shattered by the riots in the St. Paul's area of the city earlier this year. No one was more shocked at what happened than the Bristolians themselves. The reasons why it happened are still being chewed over, but the riots did throw into dramatic relief the fact that while Bristol generally enjoys an enviable prosperity, there are pockets of high unemployment in the deprived inner city area, particularly among young unskilled blacks.

Steps are already underway to provide new employment opportunities for the St. Paul's community. Two companies have already moved in to the area, and some new industrial nursery units are being built by the city council in conjunction with private industry.

Growth in electronics industry

BRISTOL'S tradition of attracting high technology companies goes back many years. It started with the aerospace industry, with Rolls-Royce, British Aerospace and Westland Helicopters. Today, the emphasis is being placed on bringing microelectronics into the city to continue the high technology theme.

Many areas of Britain, especially those with high unemployment, have been trying hard to attract investment from overseas electronics companies. Despite the enticing grants and allowances of development areas, such companies are usually more concerned with the availability of the specialist staff they will need, plus the area's strike record, its communications links and whether or not the area will be a pleasant place for their staff to live.

Bristol, with its agreeable surroundings and proximity both to the South West coast and Wales, has proved extremely tempting to high technology organisations. Inmos, the National Enterprise Board subsidiary, set up its headquarters and technology centre there for these very reasons.

The decision to move Inmos's manufacturing plant to South Wales, rather than link the factory to the company's technical centre and headquarters, was a sore blow to the area's hopes to become the "Silicon Valley of the South."

However, the city's council says that several large U.S. electronics companies are seriously considering investing in Bristol and the council adds that announcements on at least one U.S. company are likely to be made within the next two months.

Fairchild Instruments, which pioneered the development of the silicon chip in the 1960s, set up a technology centre in Bristol in 1979. Many companies have started by concentrating on design and research and then developed manufacturing facilities later.

Expansion

During the past year three other companies have moved to Bristol, following the move by Inmos to set up there. These are Marconi Avionics, Sperry Gyroscope and Nexos, another NEB company.

Sperry Gyroscope announced last year that it was setting up a guided weapons design centre, eventually providing up to 700 jobs, and Marconi's expansion at Nailsea, just outside the city, will employ 1,300 in avionics manufacture.

Hydroproducts, based in California, also announced its intention to establish a 200-job plant to make underwater electronic detection equipment in Bristol. Last year, more than 40 small companies employing between 10 and 50 people moved into the area.

In addition, the highly-trained academics who are needed to "fuel" a high technology industry are also provided by the Universities of Bath and Bristol. Recently, Bath set up a course for electronic engineers in conjunction with the General Electric Company. Bristol also has funding for research from industry.

As well as the large organisations, electronics engineers can find interesting employment with many small companies which have been set up to serve the larger ones.

For example, Imagedata was recently established to manufacture a new product, called the Image data tablet, which is used in the production of drawings for engineering.

SAC Consultants employs 400 people to carry out design work for both the aerospace and electronics industries, while Newman Controls makes the printed circuit boards used by companies to hold electronic components.

There is a host of other small companies with a very high technology base which have found that they can thrive in Bristol.

Another company, Electrotech, designs and manufactures semiconductor processing equipment. This is controlled by microprocessors and its use is to make more complex silicon chips such as microprocessors. Much of their products are exported to the main chip making centres in Japan and the U.S. Its sales now run into millions of pounds a year.

Expertise

Many companies in the Bristol area have built up expertise in electronics as a necessary adjunct to their main business. John Godwin Warren Engineering, which produces control barriers for car parks and parking meters is a typical example as is Strachan and Henshaw which makes mechanical handling equipment.

While the electronics industry is no hedge against the worldwide recession, it is an industry which still manages to grow, while the more traditional industry of steel, shipping and car manufacture shrink with each passing year. It is little wonder, then, that Bristol, along with other regions in the UK, are pinning their future on this growing sector.

Elaine Williams

BRISTOL II

Long involvement in aerospace

BRISTOL HAS had an heroic time in its 70 years of involvement with aerospace, or aeronautics as it was probably first known.

The Boxkite, the Bristol Fighter, the Blenheim, the Beaufighter, the Bolingbroke, the Buckingham, the Buckmaster, the Brigand, the Britannia, the Bombay and of course the Brabazon are among the most famous of older generations of aircraft from Bristol that helped save the nation in time of war and established the city as the definitive home of Britain's aircraft industry.

It is no surprise then that the city and its surrounding communities has epitomised, like no other, the glories and the heartaches to be gained and borne from an intimate involvement in aerospace, that most ethereal and exacting of man's 20th century industrial endeavours.

The city's involvement with aerospace goes back at least to 1910. It was then that Sir George White, the Bristol-born millionaire pioneer of electric tramways, branched out and upwards to start the British and Colonial Aeroplane Company.

Sir George could have had no idea that his initial £25,000 investment of family funds would lead, two generations later, to commercial supersonic flight and a "Concorde" of co-operation in aerospace between Britain and France, or more accurately between Bristol and Toulouse.

Nevertheless, Sir George realised from the start that benefits were to be gained from Anglo-French co-operation. Within months of setting up Bristol's first aircraft company he had signed an agreement to make the French designed "Zodiac" aeroplane under licence.

The now legendary Bristol innovative imagination in aerospace design came to the fore, however, just before the first world war in the shape of the Bristol Boxkite. This was based on designs, from a Frenchman again, but Bristol claimed the Boxkite as the world's first military aircraft.

The successes of later years up to and beyond the second world war have developed into a unique type of industrial folklore for Bristol. But in no sense does the aerospace industry in the area today dwell on past successes.

Resilience

The reactions of the aerospace industry in Bristol to the impending end of production of Concorde — which finally finished last year — illustrate well how resilient and flexible the local aerospace community and its main companies have become over the 70 years of Bristol aerospace.

British Aerospace and Rolls-Royce are the two main aerospace companies in Bristol today. The companies now have a widely diversified range of products, spreading commercial risks and helping to ensure that dips in the various trade cycles affecting these products do not coincide too often.

But as the Concorde programme demonstrated, it was not always like this.

The development of the conceptual ideas about a supersonic airliner into a reality in engineering terms was largely the responsibility of the British Aircraft Corporation in Bristol — the predecessor to the state-owned British Aerospace—and Aerospatiale, its French partner.

The project was so vast—and at a total shared between Britain and France of over £1.2bn so expensive—that in the early to mid-1970s it dominated aircraft and engine development at Bristol, to the virtual exclusion of all else.

British Aerospace now accepts that the aerospace community in Bristol was totally dependent on Concorde. So it came as a shock when Mr. Anthony Wedgwood Benn, Industry Minister at the time, made noises about re-examining the future of the project.

A cold wind blew through Filton, BAC's home in Bristol, and at Patchway where Rolls-Royce had pinned its hopes on long production runs for its Olympus 593 Concorde engine.

BAC went so far as to say that without Concorde, the Filton works would have to close.

Concorde had dominated design, production and engineering skills at Filton and Patchway for a decade and 11 days by the time the last British production Concorde flew from Filton on April 20 last year.

But few employees had regrets. At the peak of work on Concorde in 1971 to 1973 employment at the Filton works stood at 6,500 staff. This gradually fell, through natural wastage to about 4,200 people at the time of the flight of the last production Concorde.

Since then, employment in aircraft design and manufacture at Bristol has risen, and is set to go on rising, despite the absence of any one project in any way comparable in size or prestige to the Concorde programme.

British Aerospace now employs 4,850 people at its Aircraft Group factories in and around Filton. The state-corporation, which is to be partially denationalised under the provisions of the British Aerospace Act 1980, said it expects to boost employment to around the 5,000 level in the immediate future.

Opportunities

The corporation is now actively seeking more skilled design staff, draughtsmen and machinists and is prepared to carry out some training if appropriate in order to get the staff it needs.

The pronounced expansion at Filton is in sharp contrast to industrial production in other sectors.

A range of projects is responsible for the uplift in fortunes, but British Aerospace said its BAE 146 four-engined, feeder jet airliner was fast becoming its most important project at Filton. This airliner has already been sold to a South American airline and an order for two more of the aircraft from a North American airline was announced at Farnborough earlier this month.

The £10m order, including spares is to be delivered in November 1982.

By then British Aerospace has high hopes that mass production of the feeder airliner will be well underway, with consequent gains for Bristol, the production centre for the 146's main centre fuselage section.

The airliner's furnishings are also made at Bristol, providing work for a variety of skills.

Other work which has successfully replaced reliance on Concorde includes the conversion of the Royal Air Force's VC-10 fleet of nine aircraft into air-to-air refuelling tankers. Several years' work remains to be done on these aircraft and British Aerospace is also confident of continuing work for the U.S. Air Force in specialised maintenance work on its F-111 nuclear bombers.

British Aerospace's involvement with the Airbus Industrie consortium is also bearing fruit for Bristol. Filton works is heavily involved already in the detailed design of fuel systems and wing boxes for the new, A310 Airbus.

Engineering jigs to hold the wing trailing edges for the A310 are also already being built at Filton.

Other work includes machining parts for the Tornado fighter bomber and for the U.S. F-16 fighter. The tail sections of the BAE 1-11 are also built at Bristol and development work is continuing on a flying Concorde.

But aerospace at Bristol is not just about aircraft. The British Aerospace Dynamics Group employs 4,000 people in its Bristol Division, largely concerned with naval weapons. These include the Sea Dart anti-aircraft missile and Sea Wolf, anti-missile.

Rolls-Royce employs 13,000 people in and around its Patchway factories, less than a quarter of the company's total workforce of 60,700 people. However, the Bristol division is currently playing an immensely important role in a number of vast projects. Bristol is the main production centre in Britain for the RB 199 turbofan engine which powers the Anglo-German-Italian Tornado and production of the 2,000 engines to be ordered is shared with Fiat Aviazione and Motoren-und-Turbinen-Union GmbH, through the Turbo-Union partnership.

Rolls-Royce at Bristol is also making substantial progress on its supersonic version of the Pegasus jet engine now used to power the Harrier vertical take-off aircraft.

Work is also progressing on the RJ 500 engine the company is building in a 50/50 partnership with Ishikawajima-Harima Heavy Industries, Kawasaki Heavy Industries and Mitsubishi Heavy Industries. The programme is administered by a new joint company, Rolls-Royce and Japanese Aero Engines Limited, and the Anglo-Japanese team is based at Bristol.

Lynton McLain

A long-term agreement being signed in Bristol, earlier this year, in which Rolls-Royce in Britain and Pratt and Whitney Aircraft in the U.S. will work together on the production of the British-designed Pegasus vectored-thrust engine. From left: Mr. Frank McAbee, P and WA's division president; Mr. John Wragg, director and general manager of Rolls-Royce's Bristol factory; and Mr. Will Parker, vice president of Pratt and Whitney government products division.

Dock areas transformed

THE RECENT decision by the Council of Europe to include part of Bristol's inner city dock development in its European Renaissance Year programme has given a reassuring boost to one of the country's most encouraging projects of its kind.

More than 270 acres of land and water in the central area of the city—once an international port in the historic days when seagoing commercial vessels were small enough to use it—are now being transformed from virtual dereliction into useful space for business, residential and recreational use.

The task of ensuring high standards of development has been facilitated by the fact that the area is owned by the Bristol City Council, which in the past operated the docks. Now, by means of a combination of public and private funds, much of the area has been transformed from redundant space to useful amenities.

The area to be featured in Rennaisance Year is the St. Augustine's Reach section of the docks, which extends right into the city itself. It includes hotel and office buildings, the Arnolfini arts centre which has been housed in the old tea warehouse, and on the other side of the water, the exhibition centre.

This is the venue of Bristol's annual wine fair, now recognised as one of the premier events on the world wine calendar, and estimated to attract at least £10m in trade each year. Around 100,000 people from all over the world attended the event this year.

The promotion of tourism is another factor which is central to the development of the dock area in general and, for this reason, Bristol's heritage of sea trade and industrial advancement is being exploited. The Industrial Museum and the National Lifeboat Museum are important in this respect; furthermore *The Great Britain*, the first screw-driven transatlantic vessel, has great potential as an attraction.

The leisure aspect of the development is to be centred around the Baltic Wharf, where many activities such as sailing and wind surfing are becoming increasingly popular, and efforts are being made to improve the look of the docks with replacement and painting of bollards, planting trees and illuminating of buildings.

One of the major sporting attractions of the year is the annual power boat race in the docks, which now attracts up to 250,000 people to watch the boats perform along one of the toughest courses in Europe.

Another aspect of development is the attraction of light industry, and efforts are being made to provide "nursery units" or small premises where new companies can begin under favourable conditions.

Development

One of the major remaining areas of land is Canon's Marsh, a 16.4-acre site adjoined on two sides by water, which is earmarked for early development under council supervision.

A number of possible uses of the land have been put forward by the council, among them sports facilities such as swimming baths, a conference centre, multi-storey car parking, shops, hotels and restaurants. Residential development is also being considered, with the most desirable final outcome being a mix of many if not all the alternatives.

Much of the development on the site will be by private companies, under the watchful eye of the council, which is anxious to maintain the right mix of activities that will attract revenue to the area, yet not spoil the character of the docks. Another alternative for the Canon's Wharf would be a world trade centre, although with the council now under pressure to reduce spending, development will rest largely on the initiative of the private sector.

An architectural competition has been held to gather proposals for a housing development at Baltic Wharf, but it appears that this may be delayed indefinitely due to public spending cuts. But some prestige private development is expected to go ahead, achieving the aim of increasing residential use of the area.

Bristol is increasingly seen as an important regional centre and a focal point for tourism, so the importance of the docks area is very considerable, and private enterprises such as floating restaurants, pubs (such as one being converted by a leading brewery now) and other attractions are actively encouraged.

The council points out that although various plans were drawn up for the development of the docks, they have evolved rather than been moulded in a particular way. One of the council's main aims, to avoid further deterioration of a potential asset, has now been achieved, and the remaining danger is over-development.

Another objective has been to create more jobs in the central area of Bristol — and this, too, has been achieved in a limited way through the growth of "waterside business," such as shops and leisure amenities.

However, the speed of the central docks development is certain to be slowed down by the economic recession. New enterprises in the retail sector are likely to be approached more cautiously, and property developers who are faced with high interest rates and an uncertain outlook may also be more hesitant.

Although the council is anxious to see improvement of the area continue at a steady rate, a slight pause in the fairly rapid pace of development may give more time for thought about the long-term future of the docks, which seem likely to be transformed from a problem area into a great natural asset for the city.

Lorne Barling

Ships in the port of Bristol's Avonmouth Docks

Excellence in design

PROFILE: THE J.T. GROUP

BRISTOL'S merchant venturing tradition is far from dead. The J.T. group was founded as recently as 1961 by two builders with £100 of starting capital and an idea. Today, it is a well-established Bristol-based group with a turnover of £30m and diversified interests in leisure, property development and building services, as well as construction.

The idea of Mr. John Pontin, the present chairman and co-founder of the company was a "design-and-build" operation. Instead of being content with the traditional practice, whereby a building company is merely one of a number of contractors involved in the development of a property from conception to occupancy, the company worked towards establishing a single organisation offering a comprehensive service.

This integrated approach is still the heart of the business. Using "in-house" architects, managers, engineers, surveyors and other professionals J.T. has all the management and expertise needed for a building contract — not merely under one roof, but in the same open-plan office.

The benefits flowing from the improvement in communications so created are considerable. Routine building problems, which might take days of correspondence to resolve by traditional methods, can be settled by a few yards' stroll to another desk and a few minutes' chat.

Approach

Mr. Roger Mortimer, the design director, is in no doubt *that this integrated* approach is finding increasing favour among potential clients, particularly local authorities — not least *because it puts all the* responsibility firmly into one court.

J.T. is willing to build a customer the cheapest possible shed, *but generally the company* aims at the market where the customer is *prepared to* spend an above average amount because he wants a quality building which will appreciate in value, provide a good environment, and benefit in the longer term from lower maintenance costs.

A prize contract recently won by the company, against stiff competition from other UK contractors, was the design and construction of the GEC group's Marconi Avionics factory at Nailsea, *just* outside Bristol.

J.T. had already shown what it could do in this field by designing and building Eurotherm's new 50,000 sq ft complex at Worthing, for the production of industrial electronic control equipment. The buildings were officially opened by the Duke of Edinburgh earlier this year.

In 1975, with its reputation firmly established, J.T. joined forces with Staverton Contractors, a Totnes-based building company established some 50 years ago by the Dartington Trust. Under the terms of the deal, Dartington took a minority stake in the J.T. Group, which in turn has continued to run Staverton as a separate business offering a general building service for all types of work including "design and build." Firmly established as one of the leading contractors in the South-West, it has a turnover of about £7m.

Associated with this bread and butter business is a specialist building computer service, started eight years ago to develop the applications of computer techniques to the building industry. This work has proved particularly successful in the analysis, design and automatic drawing of reinforced concrete structures. Software packages have been leased or sold not only to other companies in the UK building industry, but also in the Netherlands, Nigeria and Kenya.

During the same year it took over Staverton, the J.T. Group decided to take a direct plunge into the overseas building market by joining the throng of building and civil engineering firms going to the Middle East. It investigated the potential opportunities in a number of Middle East states, including Iran, and eventually plumped for what has been a very successful partnership with a leading Dubai contracting company.

The most impressive building designed and built by J.T.'s Dubai subsidiary, Arabuild, is the £10m Municipality Building. But it was also responsible for the Deira central telephone exchange, a £1.5m villa complex, and a number of other buildings. But no less important for the future of the company is the fact that having coped successfully with the problems of building and construction in the Middle East, management and staff now feel capable of taking on work anywhere in the world.

J.T.'s latest overseas venture is the development of an apartment complex in Florida. The group hopes to derive important lessons from the U.S. construction industry on building techniques. For reasons which it is hoping to discover, U.S. building costs are a lot lower than in Europe, although wages are substantially higher.

Diversification

J.T. embarked upon its diversification into the leisure industry in 1973. It took the opportunity to acquire the Ashton Court Country Club, in Bristol, which is reckoned to be the largest private sports and leisure club in the country, and the well-known St. Pierre Golf and Country Club, Chepstow, where some leading tournaments are held.

Both facilities have been developed considerably. Ashton Court was recently turned into a hotel with the addition of accommodation and other facilities and renamed Redwood Lodge; the company has also *built*, from scratch, three other sport and leisure clubs/hotels at Swindon, Tewkesbury and Meon Valley, near Southampton, *and is on* the look-out for similar investment opportunities. *Whitbread* has a 37 per cent share in some of the clubs but *apart from* the Dartington Trust's stake, the company is *otherwise* controlled by the directors and family trusts.

The need for additional bedrooms at these facilities led the *group* a year ago to pioneer another enterprise, the factory-*construction of modular* bedroom suites. These are fully-equipped hotel bedrooms, down to carpets and curtains, which *can be delivered on the back of* a lorry and—once the foundations and services have been prepared—can be installed by crane at the rate of 12 *rooms* per day for a hotel wanting extra bedrooms.

The company claims to be able to build a 30-room, *two*-storey wing from the first hole in the ground to the first paying customer in 16 weeks—half the contract period *needed for traditional* construction.

Creative blend

Indeed, the company remains as firmly committed as ever to excellence in design and to *the creative blend* of commerce and art, an attitude which is *epitomised* by the group's Bristol headquarters. Located since 1976 in a classical 19th century warehouse in the inter-city docks area, J.T. carried out the work of completely gutting the *interior* and designing two physically separate premises within the same shell at a total cost of £1.1m. The building now has 40,000 sq ft of prime quality office space, occupied both by *the group's* head office staff and by another J.T. venture, Avon Business Services. This offers small office suites, with *optional* secretarial services, on short or long leases for businessmen wanting temporary accommodaion. It is a kind of "office *hotel*," and *has* proved very successful.

The other section of the building is occupied by the Arnolsino Gallerya, *which also has* a public performance area for cinema, music and dance, a restaurant, bars and ancillary accommodation.

It is not surprising the city council has been happy to hand over an even more ambitious project: the restoration of two large Victorian warehouses known as the Watershed, which overlook the waterfront in the heart of Bristol, for mixed commercial and arts use. The ground floors are being developed as specialist shopping precincts, while the first floor will house a wide variety of cultural facilities which will be leased to the Bristol Arts Centre at a peppercorn rent. It promises to be yet another notable feather in the JT Group's "design and build" cap.

Robin Reeves

Problems over port and airport plans

BRISTOL IS unusually well-endowed in having both a municipally-owned port and airport. But in contrast to most other *sectors* of the local economy, both are facing *problems. The Bristol* port authority's docks complex at *Avonmouth has run into* a major financial crisis; Lulsgate *Airport, to the south of the city,* is in need of substantial new *capital investment if it is to* fulfil its potential.

The port's difficulties stem from the decision by the city fathers in the early *1970s* to press ahead with the construction of a brand new dock in the west back of the Avon, capable of taking modern container ships up to 70,000 tons dwt—since named *Royal Portbury.*

The project was controversial from the first. And to the extreme irritation of Bristol, it was blocked by the *1964-70* Labour Government because of fears of the competitive effect on traffic through the South Wales ports. But the City Council regarded the investment as essential if Bristol was to stay in the big ports league. Under Mr. Heath's *Conservative* Government, the go-ahead was *given to build the first enclosed* dock to be constructed in Britain since the Second World War.

Arguably, if Royal Portbury had been started and completed earlier, it would now be well on the way to profitability. In the event, the actual construction period coincided with the dramatic upheaval in the national and international economic climate which followed the 1973 oil crisis. Not *only did this inflate the serial* cost of the project to £40m by *the time Portbury opened for* business two and a half years *ago, but it also made the task of* winning sufficient extra busi*ness for the new dock far more* difficult.

Cost burden

Initially, the financial burden looked manageable. But in the financial year which ended last March, while operating revenue rose by over £2.5m to nearly £20m, losses soared from £5.8m to £7.7m. By all accounts the position has deteriorated still further since then. It has been reported that losses in the first quarter of this year were no less than £2.8m, exceeding expectations by over £1m.

Bristol ratepayers are already *paying 10p in the pound to* cover the deficit, and it is forecast that this figure *could* rise to 15p in the pound by next year. *Bristol Council therefore* decided at the beginning of this *month to swallow its civic pride* and seek assistance from the private sector to ease the financial burden.

Portbury *may slowly be* gaining traffic, but the growth is *insufficient when set against the* mounting interest charges on *the capital invested.* These charges, in turn, are preventing the council from developing the dock to its full potential. In the words of Councillor Claude Draper, the City's Labour leader: "The *Bristol* rates account can no longer be a vehicle for the port's development."

So far, only two of six possible berths are operational. As a result, dredging costs and other overheads are being carried on too narrow a base. The cost of developing each additional berth is put at around £6m—capital which Bristol simply does not have even if it was sure of winning the additional trade to justify the investment. The Council is hoping that private sector capital will be prepared to meet the challenge.

There are those who say Royal Portbury is a white *elephant* which *should never* have been built. It has had *labour problems and there are* complaints among shippers of *slow turnround* times. *On the* other hand, Portbury's proximity *to the M5 motorway,* and the ample land immediately adjacent to the dock for associated developments, gives the complex a rare advantage among British ports. It also offers important attractions for the private investor prepared to take a long-term view.

The investment attractions for *outside capital* could be increased if Bristol is successful *in persuading Mr. Michael* Heseltine, the Environment Secretary, to group the port of Bristol in some way with south *Wales ports, in order to give it* access to EEC financial assistance. *Portbury is ineligible for* EEC aid at present because it *is outside a development* area.

By contrast, the problems of Bristol's municipal airport at Lulsgate stem from under-investment in the past. Although traffic has grown from 33,000 passengers in 1967 when Lulsgate first opened to more than 270,000 last year. But unlike its rival airport at Cardiff, across the Severn estuary, which invested in a major new terminal building in the early 1970s, Bristol has spent relatively little to update its facilities. As a result, it was dismayed some two years ago when Cardiff was officially designated as the main regional airport serving the South-West.

Stung into action by the Government's decision, the City Council set in train a comprehensive feasibility study by Sir Alexander Gibb and Partners of alternative development plans for the airport up to 1996. This showed that a minimum of £2.8m would need to be spent between now and 1983 simply to keep the airport facilities up to scratch and allow it to handle more than one full 'plane-load at a time.

But to fulfil its maximum *potential, far larger sums will* need to be spent. An essential *prerequisite is the extension of* the runway, which in turn *would necessitate re-routing of* the A38 Bristol-Bridgewater *road at a cost estimated in* the feasibility study at between *£1.1m and* £2.6m according to the particular project adopted.

Alternatives

Beyond this Lulsgate could have either a terminal extension or a new terminal building for passengers, freeing the existing facility for airport offices, general aviation and freight business. On last year's figures the cost works out at either £9m or £12.3m, giving Lulsgate the capacity to handle up to 1.3m passengers annually.

On present usage, the expenditure may seem excessive. But as the airport's new general manager points out, a recent Civil Aviation Authority study showed that some 1.7m passengers using airports in southern England such as Luton and Gatwick, are drawn from the South-West. This suggests ample scope for increasing holiday charter traffic from Bristol.

As for scheduled flights, Dan-Air has stepped into the breach left by British Airways' withdrawal from many provincial routes. Lulsgate has therefore retained its range of domestic and continental air links, and the signs are that they will be marketed with more vigour.

Freight traffic, too, is developing very vigorously. Last year, the amount handled increased by more than 60 per cent to 4,250 tonnes. This year, the quantity is up by a further 40 per cent. Work has just started to increase handling and storage space at the airport by some 50 per cent to meet the additional traffic.

In the circumstances, Bristol feels justified in looking very seriously at the possibility of expanding Lulsgate, and the costings are now in the process of being updated. But it remains to be seen whether, in the present economic climate and after Portbury, it can find the necessary resources.

Robin Reeves

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

● DESIGNING

Models the product in detail

APPEARANCE, suitability, feel, ergonomics, mechanical stability—these are all factors of design that can make or break a product and most manufacturers, particularly of consumer items, can spend a good deal having models made, often by hand.

Developed by Lucas Logic of Warwick is a specialised cutting machine which, working in conjunction with a computer aided design system, will cut precisely the designed shape, full size or scaled, in wood or polyurethane foam.

The designer first sits at a screen and keyboard on which he can construct the shape using three dimensional graphics that allow him to rotate and manipulate the image until he feels confident to cut the model. The x, y and z data held in the associated computer is then fed directly or via a paper tape to the cutting machine console which generates the appropriate instruction for the milling head of the model maker.

Lucas originally developed the unit to help with the design of vehicle lamps. When used with the company's Surfset software the designer can proceed in a few days from the first concept of a component shape to an accurate model. However, other CAD programs can be used provided they produce data in the correct format for the microprocessor-based control system.

The cutter unit, completely enclosed in slanting front housing, is essentially a three-axis milling machine for light duty. Time to produce a model is in the two to three hours region. Maximum size of the material blank is 300 x 300 x 600 mm.

One machine has already been sold to Philips where it is being used to make styling assessment models and prototypes of forthcoming generations of electrical and electronic consumer products.

Price of the new machine is about £35,000, but there is a machine at Warwick which can be used as one of the services offered by the Lucas Logic computer bureau.

More from the company at Welton Road, Wedgnock Industrial Estate, Warwick CV34 5PZ (0926 497733).

● METALWORKING

Gets the right balance

VIBRATIONS in machine tools can result in low quality or scrapped work, lost time and shortened tool life. The wheels of precision cylindrical grinders must be accurately balanced to work well, and sophisticated equipment is sold for permanent attachment to individual machines to monitor and correct imbalances of these grinding wheel assemblies.

What is claimed to be a much less expensive solution is available from Matchless Machines of Horsham, West Sussex (0403 60271). This is portable equipment that can be used to balance any precision cylindrical grinding machine or surface grinder in about a minute while it is running, says the company.

Known as the Balantron 2003, it has been imported from Switzerland for use with Studer precision grinding machines, but is now to be marketed for general use.

The equipment consists of a vibration sensing unit, fitted with magnets to attach it to the grinding head, an amplifier with anolog indicator and a hand-held electro-magnetically driven sintered diamond abrading tool for removing material from the side of the grinding wheel to balance it.

To operate the equipment the vibration sensor is fitted to the grinding head and the amplifier indicator tuned to the speed of the grinding wheel. The hand-held unit is then placed gently against the side of the wheel and the diamond abrading tool is controlled by the vibration sensor so that it automatically removes material from the wheel at the point which requires to be lightened.

Using the "Chainsharp" chainsaw sharpener in the woods. The device, manufactured in Germany by Pferd and available through Indusmark of London (01-353 8601), is reckoned to halve the time taken to sharpen a saw by compressing the sharpening of the teeth and the depth gauges into one operation. There is an integral guide to maintain the optimum cutting angle of 35 degrees and guidebars to maintain the correct distance between tooth and gauge. It costs £9.95 plus VAT.

● SAFETY

Saves breath and lives

MORE AND more people need to work or venture underground as big cities become honeycombed with subterranean tunnels, sewers and man-high channels, and the exploitation of under-the-ground caverns for storage areas grows all over the world. Men working on the oil platforms may have to spend hours investigating potential danger in the legs of rigs—and there is the constant risk of fire above and below the ground.

All these situations present hazards to personnel who may become trapped in a confined area where access to fresh air is geographically or inherently limited.

Learning from the unfortunate consequences of a long history of mine disasters and the vigilant concern of the National Coal Board, a company has produced what is said to be the world's first long duration rescue breathing apparatus to be approved in accordance with the very stringent British Standard specification.

Low in weight, easy to carry and comfortably harnessed, the equipment is called the AGA Rescue oxygen breathing apparatus and will allow the wearer several hours (up to about four) of uninterrupted breathing in a contaminated atmosphere or in firefighting and can even be used under water in the case of sudden flooding of a passage or channel.

Man's adrenalin rises when his senses are heightened by danger and among the most important features of this apparatus are the very low breathing resistance and the carbon dioxide absorber which keeps the carbon dioxide content in the inhaled gas at a minimum level even after several hours. Special cooling devices also keep the temperature of the inhaled gas comfortably low.

The apparatus is adapted for use either with a full face mask with speech diaphragm and telephone connection or a mouthpiece—very important to transmit verbal warnings or instructions to others involved also in the rescue operation.

Should the wearer forget to open the cylinder valve, a warning device will create a clearly noticeable resistance and a whistling sound during exhalation.

If the user has to pass through narrow passages he can easily and speedily remove the apparatus and carry or push it in front of him while he is still breathing in the apparatus.

Should he wish to rest while wearing the apparatus, or find himself in a trapped situation, he can then close the cylinder valve, continue breathing in the apparatus and re-open the valve when he feels that the breathing bag is being squeezed. In this way it is possible to avoid waste of oxygen.

At complete rest, this method will increase the service time by several hours, says maker AGA Spiro, Horton Close, West Drayton, Middx. (West Drayton 47771).

The whole rescue set is enclosed within a glass fibre reinforced plastic case mounted on a harness. Overall dimensions are 500 mm long, 460 mm wide and 175 mm deep. With the oxygen cylinder fully charged, the entire apparatus weighs only 16 kilos.

The whole package is not a "just in case" safety unit like the wall-mounted home fire extinguisher. Apart from being a constant stand-by for rescuers in potentially dangerous areas throughout industry and down the mines, it will undoubtedly become a necessary part of day-to-day maintenance equipment on the oil rigs, in chemical plants, or wherever man needs to be assured that he is not going to lose his breath.

DEBORAH PICKERING

● HYDRAULICS

Digging into a new market

JCB, the excavator loader maker, is challenging the traditional market in air operated tools and small air compressors with a new range of portable hydraulic power packs and tools.

JCB's entry into this market follows its acquisition in May of Bredon Hydraulics from the Bullough Group. Bredon now operates under the name of JCB Hydrapower, manufacturing the new "Hydrochief" range of four portable hydraulic power packs and tools at its plant in Tewkesbury, Gloucestershire.

The range, led by the "Solite"—claimed to be the smallest and lightest hydraulic pack on the market—has been launched in the UK through the JCB network of nearly 50 distributor outlets and JCB Service will introduce it into overseas markets during the next few months.

"Our research showed that there was clearly a place in the market for portable hydraulic power packs," said Mr. Neil Allen, director of JCB Service, in London last week. "They are small, easy to handle and quite a lot cheaper than their air equivalents; and as a product group they fit in well with the existing JCB distributor network.

JAMES McDONALD

● IN THE OFFICE

New Facit equipment

"DAISY WHEEL" is the latest word in electric typewriter technology, and the Swedish company Facit, whose British base is in Maidstone Road, Rochester, Kent (0634 401721), has now introduced its own version of this simple, lightweight device, which is of American origin.

Facit claims that its new 8000 daisy wheel electronic typewriter has been designed as an easy-to-use office machine providing all essential functions. The plastic daisy wheel carries 107 characters and the machine has three tabulator memories which can be programmed for different tabulator settings for recurring letters, table and form layouts.

The pre-set tab level permits the required programme to be selected while still allowing normal tabulation. The reverse tabulation enables the typist to go past the left-hand margin for typing headings to the left of the set-left hand margin. The machine also has a decimal tabulation facility to ensure that the decimal signs are correctly aligned in a column of figures.

Type impression selection enables the typist to control the pressure of the print. The machine senses the impression and the electronics then adapt individually to each character on the daisy wheel. Double vertical spacers allow the typing position to be shifted up and down when required.

The Facit 8000 provides automatic underlining of single words or whole lines, electronically-controlled character shifters with indication light, extra characters accessible with a code key, and automatic forward feeding of the paper.

Facit has also introduced a new family of alphanumerical video terminals, the 4410, 4420 and 4430. The 4410 has a combined keyboard and display in one cabinet. The 4420 and 4430 have separate low-profile keyboards and non-glare displays with tilt and swivel movements. The 4430 is compatible with the Digital VT-100.

The latest additions to the Facit range of desktop calculators are the 2255 and 2205. Both have 12-digit capacity, the 2305 with print only and the 2255 with print and display. A new feature on both machines is the MU ("mark-up") key, which calculates gross profit margins at a single stroke.

The office furniture side of Facit has introduced a new "optimum posture" chair designed for maximum comfort and efficiency. It can be quickly adjusted with a single control moving the back rest up or down and backwards or forwards.

Seating height is adjustable manually or by an optional gas cartridge mechanism, either of which can be used when seated. Castors and armrests are optional and there is a choice of nine colours in a 24 per cent wool fabric for the seat.

● DATA PROCESSING

Differing machines can talk

A PROBLEM that can beset one company which has merged with another or has perhaps, allowed its operating divisions to go their own way with computer purchase, is that of the differing communications protocol between mainframes or terminals of different manufacture.

Although they may use the same communications transmission technique (RS 232 for example) they will probably use different protocol (that is, the way in which the data is arranged, acknowledged and so on).

Software modifications in say, a terminal addressing a mainframe or even intermediate tape transcription are possible but these are either expensive, cumbersome or both and a better solution according to Mator of Hove, Sussex, is to employ its new protocol converter which is based on a suitably programmed microprocessor.

The programming allows virtually any two computers or terminals with standard RS 232-compatible communications interfaces to be sucessfully connected together. Both synchronous and asynchronous protocols with baud rates of up to 9,600 are handled with ease.

The converter is fully compatible with the Post Office telecommunications system and can be used in any network deploying modems.

An interesting point is that, since the converter is software controlled it may be programmed for tasks other than simple protocol conversion. The contents of messages may be modified as desired—for example display screen layouts may be re-formatted, character code sets can be changed from ASCII to EBCDIC, or data can be re-blocked.

This small 15-man company, started in 1976, has already reached a turnover of nearly £0.5m and has started up Mator Inc. in California. It has already done a good deal of micro work for or in conjunction with such companies as BASF and PRIAM in connection with disc control.

More from the company at Willett House, 12, Grand Avenue, Hove, East Sussex.

GEOFFREY CHARLISH

Colour in their sheets

COLOUR IS the latest ingredient in the information mix which promises to make data more appetising to senior management, and a new company, Intelligence UK, intends to profit from the trend.

It is marketing a new U.S.-made microcomputer, the Intelligence Executive, which features colour graphics—what makes the package different is that it is also offering a colour graphics bureau service to businessmen on the back of the new machine.

Aimed at senior executives who need data compressed and clear, the service is based on the Intelligence microcomputer and a camera which can make high quality colour copies of information on the screen.

The bureau will accept data in tubular form and return it in a specified format—bar charts, line graphs, scatter graphs and so on, as 33 millimetre slides, 8 inch by 10 inch prints over overhead transparencies. The cost is about £4.50 for a colour slide, which according to Intelligence is cheaper than using a graphics department.

The microcomputer will be launched later this month at £5,800 complete with eight inch floppy disc drive but without printer.

Intelligence is already at work on its own all-British microcomputer. More on 486 3978.

FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD

THE ASSOCIATION OF INTERNATIONAL BOND DEALERS

AT 31st AUG. 1980

The Association of International Bond Dealers (AIBD) compiles *current market quotations and* yields for Eurobond issues. *These quotations and yields* are published monthly by the *Financial Times*. The Association's prices and yields are compiled from quotations obtained from market-makers on the *last* working day of each month. There is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres.

Membership of the AIBD (*which was established in 1969*) comprises over 550 institutions from *about 30 countries*.

Eurobonds in August

BY FRANCIS GHILES

AUGUST marked the turnaround in U.S. interest rates which had been slowly declining since March. As a result, *prices on the Eurodollar bond* market suffered. This weakness eventually spilt over into the hard currency sectors leading to the postponement of three Deutschemark Foreign Bond issues in Germany during the last week of *August and* a generally unstable Swiss Franc market.

August also witnessed the re-opening of one of the smaller bond market sectors: the Kuwaiti Dinar sector.

The rise in the six-month *Eurodollar interest* rate by around 3½ per cent to 12½ per cent at the end of the month was accompanied by figures on the U.S. economy which were not to the bankers' liking. A sudden increase in Money *Supply, poor wholesale price* figures and a strong recovery of durable goods orders suggested that the recession might be bottoming out before infla*tion is overcome. The* record increase in the Leading Economic Indicators gave little hope for a change in the trend.

As dealers became apprehensive about short-term interest rates, secondary market Eurodollar bond prices began to slide. The sector lost an average of 4 points over the month: *1½ points* during the last week. The number of new straight *dollar issues slowed to a trickle*, of which only one was priced *realistically, Morgan Stanley's* offering of International Harvester five year bonds. The *issue carried a coupon of 12¾* per cent and was increased in amount from $100m to $115m.

Lead Managers were forced by market conditions to look at other means of raising funds. The Floating Rate Note, thus became increasingly popular and of the $1bn or so of paper issued in the dollar sector, $530m was raised in Floating *Rate Note form.*

Of these, the largest issue was for the Italian concern, Ferrovie dello Stato, which launched a $250m issue at the usual spread of ¼ per cent over the London Interbank Offered Rate (Libor).

With the prospect of no new straight dollar issues for sometime, *Credit Suisse First Boston* and UBS (Securities) both devised alternative methods of raising funds for their clients on the Eurodollar market.

CSFB used a method akin to one used on the UK gilt edged market. The borrower, Alcoa of Australia, raised $80m through an issue of partly paid bonds. Of the total amount, 25 per cent was paid by investors *in August with the remainder* due in January. The difference between this method and that used in the UK gilt market is the timing—usually much shorter for gilt issues. Unfortunately these "Deferred Purchase Bonds" were caught in a declining market and were *quoted at around 21 at the end* of the month, a decline of 16 per cent.

For the investor, CSFB claimed that Deferred Purchase bonds were right for a market which is unsettled but optimistic. For the borrower, it claimed that Alcoa was saving around 50 basis points. The coupon is 12 per cent until maturity in 1987.

UBS (Securities), meanwhile, re-introduced the conversion issue. The conversion issue offers holders of a maturing issue new bonds issued by the same borrower with terms adjusted to reflect prevailing *market conditions. The* European Investment Bank offered $100m of 12¾ per cent seven year notes in exchange for its 9 per cent bonds which are maturing currently.

Holders of the notes maturing are also entitled to request redemption for cash in lieu of the conversion offer.

Initial reaction to the offer was that similar issues can easily be found which yield up to one per cent more than the new bonds and therefore it did not prove popular with the market.

Rising U.S. interest rates affected the D-Mark sector unfavourably. Overseas interest in foreign Deutschmark bonds *gradually dwindled after the* announcement by the Bundesbank that it would not be lower*ing German interest rates*. This decision disappointed market participants who believe that since the economy is slowing some sign of slowing down, interest rates should be reduced fairly soon.

The calendar agreed by the German Capital Markets Sub-committee amounted to around DM 1bn for August. Three of the scheduled issues were postponed late in the month but other unscheduled issues *brought* the final total for the month to DM 1.15bn.

In the Swiss Franc foreign bond market, prices seemed to sympathise with the upward *trend in U.S. dollar interest* rates and fell by an average 2½ points over the month. Two new issues were launched at the surprisingly low coupon level of 5¼ per cent. Although the terms on both issues—for Philips NV and Bayer—seemed rather aggressive, the issues *were successful because of the* rarity of these high quality names *in this market*. Otherwise new issues were usually offered with coupons around 5½ per cent.

In comparison with other sectors of the market, the French Franc bond market remained strong throughout the month. The market was buoyed *by the French Franc* and the firmness of French Franc rates: also by indications that the budget for next year would be as conservative as this year's.

The only new issue during August, FFr150m for Aeroports de Paris, through CCF was very successful.

The *secondary* market for Sterling bonds suffered heavy losses early in the month after the worse than expected UK Money Supply figures. Money Supply had increased by an estimated five per cent for the month to mid-July and dealers *marked* prices down sharply. The only new issue in August was arranged by S. G. Warburg *for* Rothschild Investment Trust. £12m of ten year bonds were offered at 14¾ per cent and were priced later at 98 per cent. The discount was due to the fall in prices on the UK gilt edged sector during the time in which the bonds were on offer.

The City of Oslo was the first borrower to take advantage of the re-opening of the Kuwaiti Dinar bond market. This sector was closed in November 1979 but *will now be open for* foreign borrowers on a carefully regulated basis. The terms of the KD7m—the maximum amount allowed—City of Oslo issue, lead-managed by KIIC, includes a ten year maturity *with a 9¼ per cent coupon*.

CONTENTS

The table of quotations and yields gives the latest rates avaiable on 31st July, 1980. This information is from reports from official and other sources which the Association of International Bond Dealers *considers to be reliable, but* adequate means of checking *its accuracy are not available* and the Association does not guarantee that the Information it contains is accurate or complete.

All rates quoted are for indication purposes only and *are not based on, nor* are they intended to be used as *a basis for*, particular transactions. In quoting the rates the Association does not undertake that its members will take in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY INTERBOND SERVICES LTD. ★ *A subsidiary of dataSTREAM International*

US DOLLARS-ALGERIA

Issued/ Amt. o/s ($m)	Year of issue/ Issue price	Borrower/ Coupon/Maturity	Price	Yield to maturity/ to avge. life	Current yield
25	1977 100.00	BQUE EXT D'ALGERIE 9.00 15/ 8/1982	92	13.92	9.78

US DOLLARS-ARGENTINA

Issued/ Amt. o/s ($m)	Year of issue/ Issue price	Borrower/ Coupon/Maturity	Price	Yield to maturity/ to avge. life	Current yield
50	1979 98.50	ARGENTINE REPUBLIC 9.875 1/ 8/1984	90 5/8	13.06	10.90

US DOLLARS-AUSTRALIA

Issued/ Amt. o/s ($m)	Year of issue/ Issue price	Borrower/ Coupon/Maturity	Price	Yield to maturity/ to avge. life	Current yield
30 5.0	1963 97.50	AUSTRALIA,COMMONWEALTH 5.00 1/ 4/1983 S	89	10.16 14.34	5.70
25 .7	1960 98.00	AUSTRALIA,COMMONWEALTH 5.25 1/10/1980 S	97	47.20	5.49
25 1.4	1961 97.00	AUSTRALIA,COMMONWEALTH 5.30 1/ 7/1981 S	94	13.18 16.23	5.94
30 2.5	1962 98.25	AUSTRALIA,COMMONWEALTH 5.50 15/ 1/1982 S	91 5/8	[illegible] 15.04	6.09
30 3.3	1962 97.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 7/1982 S	91 3/8	11.06 14.62	[illegible]
25 3.5	1962 99.00	AUSTRALIA,COMMONWEALTH 5.50 1/10/1982 S	90 5/8	10.90 15.47	6.16
25 7.0	1965 98.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 5/1985 S	87 1/2	9.01 21.31	6.38
25 8.3	1965 99.75	AUSTRALIA,COMMONWEALTH 5.75 1/11/1985 S	85 1/2	9.56 12.43	6.84
25 7.8	1967 97.50	AUSTRALIA,COMMONWEALTH 6.50 15/ 6/1982	93 5/8	10.55 11.07	6.94
100	1977 100.50	AUSTRALIA,COMMONWEALTH 7.50 1/ 9/1984	85	12.48	8.82
350	1978 100.00	AUSTRALIA,COMMONWEALTH 8.00 1/ 4/1982	93 1/2	12.69	8.56
125	1976 99.88	AUSTRALIA,COMMONWEALTH 8.125 15/11/1983 S	90 1/8	12.26	[illegible]
75	1976 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/ 6/1981 S	97 3/4	11.73	8.62
120	1976 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/10/1983	90 1/4	12.21	9.14
125	1977 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/12/1984 S	88 1/4	12.18	9.57
150 150.0	1977 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/ 9/1992	75	12.15 13.58	11.00
175	1978 100.00	AUSTRALIA,COMMONWEALTH 8.45 1/ 6/1983 S	92 1/8	12.22	9.38
120	1976 100.00	AUSTRALIA,COMMONWEALTH 8.50 1/10/1986	84 5/8	12.21	10.04
50	1975 100.00	AUSTRALIA,COMMONWEALTH 8.75 15/ 6/1983 S	92 5/8	12.27	9.67
50	1976 99.63	AUSTRALIA,COMMONWEALTH 8.75 1/ 6/1986 S	87 3/8	12.18	10.27
60 60.0	1976 99.50	AUSTRALIA,COMMONWEALTH 8.75 1/10/1991	79 7/8	12.14 13.32	10.95
100 100.0	1977 98.99	AUSTRALIA,COMMONWEALTH 8.875 1/12/1997 S	77 3/8	12.37 13.31	11.80
75 75.0	1976 99.50	AUSTRALIA,COMMONWEALTH 9.00 15/11/1996 S	80 1/8	12.12 13.12	11.55
75 75.0	1978 99.63	AUSTRALIA,COMMONWEALTH 9.125 1/ 6/1993 S	81 1/2	12.35 13.07	11.51
75 71.5	1976 98.50	AUSTRALIA,COMMONWEALTH 9.125 1/ 6/1996 S	80 1/2	12.24 13.13	11.66
25 17.0	1975 99.00	PAPUA NEW GUINEA,GOVT OF 9.50 15/ 3/1983	96 1/8	11.28 11.85	9.88
25	1977 100.50	ALCAN AUSTRALIA 8.50 15/ 4/1989	77 1/4	13.02	11.00
60	1979 100.00	ALCOA OF AUSTRALIA 10.00 15/ 6/1989	83 3/8	13.30	11.99
50	1980* 100.00	ALCOA OF AUSTRALIA 12.00 15/ 1/1988	96	12.83	12.50
25 12.5	1974 100.00	AUSTRALIAN IND DEVT CORP 10.25 1/12/1981	98	11.96 13.34	10.46
40 38.2	1977 100.00	AUSTRALIAN MIN & SMELT'G 9.25 15/ 6/1992	77	13.18 13.97	12.01
10	1977 100.50	AUSTRALIAN RESOURCES 8.25 1/12/1982	91	13.06	9.07
30 24.0	1975 100.00	AUSTRALIAN RESOURCES 9.50 1/ 3/1983	95	11.86 12.03	10.00
30	1979 99.50	AUSTRALIAN RESOURCES 9.625 1/ 8/1984	91 1/2	12.48	10.52
30	1977 99.50	BROKEN HILL PROPS 8.00 1/ 4/1985	82 3/4	13.21	9.67
30 30.0	1977 99.00	BROKEN HILL PROPS 8.25 1/ 4/1989	81 1/2	11.77 12.30	10.12
30	1975 100.00	BROKEN HILL PROPS 9.50 1/ 5/1981	98 1/2	11.76	9.64
20 15.7	1975 98.50	BROKEN HILL PROPS 10.00 1/ 5/1990	89 1/2	11.86 12.35	11.17
20 13.0	1970 98.50	COMALCO INV EUROPE 9.50 1/11/1985	92	11.62 13.02	10.33
25 18.0	1975 100.00	COMALCO LTD 10.00 1/ 4/1987	92 1/2	11.66 12.11	10.81
40 40.0	1979 100.00	COMALCO INV EUROPE 10.25 15/ 7/1991	82 3/8	13.41 14.04	12.44
40 34.6	1976 100.00	HAMERSLEY HOLDINGS 8.50 1/ 1/1984	87 5/8	13.28 13.75	9.70
40 38.0	1976 100.00	HAMERSLEY HOLDINGS 9.50 1/ 1/1992	77 1/2	13.45 14.25	12.26
25 19.3	1972 100.00	HAMERSLEY IRON FIN 8.00 15/11/1987	83 1/2	11.47 13.15	9.58
20 12.5	1971 99.50	HAMERSLEY IRON FIN 9.00 1/ 5/1986	88	12.01 13.57	10.23
20 12.0	1970 97.00	HAMERSLEY IRON FIN 9.50 1/ 9/1985	91	11.99 13.73	10.44
35 26.6	1975 100.00	HAMERSLEY IRON FIN 10.00 1/ 6/1982	97	11.93 11.99	10.31
23 20.7	1972 99.75	K MART(AUST)PROPERTIES 7.75 15/ 9/1984	86	12.35 12.55	9.01
36 34.2	1976 99.50	K MART(AUST)FIN 9.00 1/10/1986	88 1/2	11.74 11.94	10.17
25 17.5	1971 100.00	MOUNT ISA FIN 8.75 15/11/1986	84 1/2	12.46 14.26	10.36
10	1976 100.00	TNT INTL FIN 9.00 1/ 7/1983 WW	110	5.11	8.18

US DOLLARS-AUSTRALIA (CONTINUED)

Issued/ Amt. o/s ($m)	Year of issue/ Issue price	Borrower/ Coupon/Maturity	Price	Yield to maturity/ to avge. life	Current yield
10	1976 100.00	TNT INTL FIN 9.00 1/ 7/1983 XW	84	16.86	10.71
20 20.0	1977 100.00	TNT OVERSEAS FIN 9.00 15/ 8/1987	79 1/2	13.76 15.08	11.32
50 50.0	1977 100.00	WESTERN MINING CORP 9.00 15/10/1992	74 3/8	13.37 14.30	12.10
15 11.3	1975 99.00	WESTERN MINING CORP 9.75 1/ 5/1982	96 3/4	11.92 12.03	10.08

US DOLLARS-AUSTRIA

Issued/ Amt. o/s ($m)	Year of issue/ Issue price	Borrower/ Coupon/Maturity	Price	Yield to maturity/ to avge. life	Current yield
10 4.8	1964 99.00	AUSTRIA,REPUBLIC OF 6.00 31/ 1/1984 S	93 5/8	8.34 9.95	6.81
23 4.0	1967 98.50	AUSTRIA,REPUBLIC OF 6.75 15/ 3/1982 S	93 7/8	11.48 13.44	7.32
50	1977 100.00	AUSTRIA,REPUBLIC OF 7.80 15/ 7/1984 S	87 1/8	12.41	9.15
50 50.0	1977 100.00	AUSTRIA,REPUBLIC OF 8.625 15/ 7/1992 S	78 1/2	12.44 13.72	11.29
50 38.0	1976 100.00	AUSTRIA,REPUBLIC OF 8.75 15/ 8/1990	81 1/2	12.03 12.37	10.74
50	1975 100.00	AUSTRIA,REPUBLIC OF 9.00 15/ 7/1982 S	94 3/4	12.57	9.72
72 5.2	1965 97.00	ALPINE MONTAN STEEL 5.75 15/ 6/1985	89	8.64 10.31	6.46
15 5.4	1966 96.50	AUSTRIAN ELECTRICITY 6.625 1/ 7/1986 S	97 5/8	7.25 7.58	6.80
18 5.1	1967 96.50	AUSTRIAN ELECTRICITY 6.75 1/10/1982 S	97 3/8	8.30 9.55	7.05
50	1977 100.25	OSTERREICHE KONTROLLBANK 7.00 1/10/1980	99	18.75	7.07
50	1977 100.50	OSTERREICHE KONTROLLBANK 7.50 1/10/1982	92 1/8	11.96	8.14
50	1976 100.00	OSTERREICHE KONTROLLBANK 8.00 1/10/1981 S	98 3/8	11.96	8.47
50	1980* 98.50	OSTERREICHE KONTROLLBK 10.00 15/ 7/1985	91 7/8	12.30	10.88
30 30.0	1977 100.50	TAUERNAUTOBAHN 8.25 15/ 3/1987	83 1/2	12.00 12.69	9.88

US DOLLARS-BELGIUM

Issued/ Amt. o/s ($m)	Year of issue/ Issue price	Borrower/ Coupon/Maturity	Price	Yield to maturity/ to avge. life	Current yield
75 75.0	1973 100.00	MOFINA B.V. 4.50 1/ 7/1988 WW	83 3/4	7.29 8.33	5.37
75 75.0	1973 100.00	MAFINA B.V. 4.50 1/ 7/1988 XW	71 3/4	9.83 11.31	6.27
40	1977 99.50	MAFINA B.V. 7.875 15/ 9/1984 P	86 3/4	12.21	9.08
40 40.0	1977 99.00	MAFINA B.V. 8.00 1/ 9/1987	82	11.93 13.13	9.76
50	1976 100.50	SOC NAT DE CREDIT IND 8.25 15/10/1981 P	96 5/8	11.56	8.54
15	1977 100.00	SOLVAY FINANCE 7.75 1/ 3/1984	78	16.44	9.94

US DOLLARS-BOLIVIA

Issued/ Amt. o/s ($m)	Year of issue/ Issue price	Borrower/ Coupon/Maturity	Price	Yield to maturity/ to avge. life	Current yield
15	1977 100.00	BOLIVIA,REPUBLIC OF 10.25 15/ 4/1982 L S	88	20.06	11.89

US DOLLARS-BRAZIL

Issued/ Amt. o/s ($m)	Year of issue/ Issue price	Borrower/ Coupon/Maturity	Price	Yield to maturity/ to avge. life	Current yield
35 19.9	1972 99.50	BRAZIL,REPUBLIC OF 8.25 1/12/1987 S	79 3/8	13.08 16.31	10.66
85	1977 100.00	BRAZIL,REPUBLIC OF 9.00 1/ 8/1982 S	92	14.35	10.02
75	1976 99.00	BRAZIL,REPUBLIC OF 9.25 1/ 1/1984	87 1/8	14.31	10.62
50	1976 100.00	BRAZIL,REPUBLIC OF 10.00 15/ 5/1986 S	97	10.99	10.57
50	1977 99.00	BANCO NAC DO DESEN ECON 9.25 1/ 7/1984	84	15.00	11.01
50	1977 100.00	LIGHT-SERVICOS DE ELET 9.00 1/10/1982	90 1/8	14.81	9.99

US DOLLARS-CANADA

Issued/ Amt. o/s ($m)	Year of issue/ Issue price	Borrower/ Coupon/Maturity	Price	Yield to maturity/ to avge. life	Current yield
250	1978 100.20	CANADA 8.00 1/ 4/1983 S	91 1/4	12.39	8.96
250	1978 100.00	CANADA 8.20 1/10/1985 S	85 5/8	12.42	9.81
250	1978 99.75	CANADA 8.625 1/ 4/1998 S	76 1/8	12.24	11.65
400	1978 100.00	CANADA 9.00 15/10/1983 S	92 1/8	12.45	10.01
350	1978 100.00	CANADA 9.25 15/10/1998 S	80 1/2	12.24	11.82
50 45.0	1976 100.50	ALUMINUM CO OF CANADA 9.50 15/ 4/1988	86 1/2	12.30 13.03	10.98
30	1979* 99.50	AQUITAINE CO CANADA 11.25 15/ 1/1985	94 1/8	13.06	11.95
20 18.2	1976 100.00	AVCO FIN SERV-CANADA 9.25 15/ 9/1983	91 3/8	12.84 14.64	10.12
100	1977 100.00	BELL-CANADA 7.75 1/ 5/1987	78 3/8	12.73	9.89
60	1976 100.75	BELL-CANADA 8.75 15/ 7/1986	85 3/8	12.38	10.25
200	1976 99.25	BELL-CANADA 8.75 1/ 4/2006 S	71 1/4	12.91	12.66
300	1978 100.00	BELL-CANADA 9.00 15/ 1/2008 S	73	12.89	12.71
50	1980* 100.00	BN-KP 13.25 15/ 5/1985	101 1/2	12.76	13.05
20 15.5	1972 100.00	BRASCAN INT 8.25 1/10/1987	86	11.21 12.87	9.59
30	1976 100.00	BRASCAN INT 9.75 1/ 5/1982	93 1/2	14.29	10.43
75	1977 100.00	BRITISH COLUMBIA HYDRO 7.75 15/ 5/1985	83 7/8	12.45	9.24
150	1975 99.75	BRITISH COLUMBIA HYDRO 9.625 1/ 6/2005 S	80 3/8	12.55	12.37
20	1976 98.50	BUDD AUTO CO OF CANADA 9.50 15/ 4/1983	92	13.23	10.33
70	1978 99.00	CANADAIR 8.50 15/ 6/1983	90 1/4	12.85	9.42

US DOLLARS-CANADA (CONTINUED)

Issued/ Amt. o/s ($m)	Year of issue/ Issue price	Borrower/ Coupon/Maturity	Price	Yield to maturity/ to avge. life	Current yield
85	1976 100.00	CANADIAN NAT RAIL CO 8.375 15/11/1986	82 3/8	12.55	10.16
150 150.0	1979 99.75	CANADIAN NAT RAIL CO 9.70 15/ 7/2004 S	78 7/8	12.88 13.22	12.68
40 31.0	1977 100.50	CANADIAN PACIFIC-BERMUDA 8.25 1/ 7/1984	87	12.71 13.33	9.48
50 48.8	1979 100.00	CANADIAN PACIFIC LTD 9.75 15/ 5/1989	84 7/8	12.69 12.92	11.49
25 23.0	1977 99.50	CONSOLIDATED - BATHURST 9.00 1/10/1992	78 3/8	12.56 13.35	11.48
50 50.0	1979 98.50	DOME PETROLEUM 10.00 15/ 7/1994	77 7/8	13.62 14.08	12.84
50	1980* 99.00	DOME PETROLEUM 13.50 1/ 5/1992	99 1/4	13.60	13.60
25	1978 99.00	DOMINION BRIDGE CO 9.00 15/ 6/1986	84	13.09	10.71
30	1979 100.50	DOMINION BRIDGE CO 10.25 15/ 6/1984	93 3/8	12.51	10.98
125	1978 100.00	EXPORT DEVELOPMENT CORP 8.60 15/ 8/1983 S	91 1/2	12.46	9.62
150	1979 100.00	EXPORT DEVELOPMENT CORP 9.45 15/ 1/1984 S	93 7/8	12.47	10.77
100	1979 99.50	EXPORT DEVELOPMENT CORP 9.25 1/ 3/1984	91 3/8	12.38	10.12
150	1980* 100.00	EXPORT DEVELOPMENT CORP 9.50 15/ 1/1986	89	12.39	10.67
150	1979 100.00	EXPORT DEVELOPMENT CORP 9.75 1/ 9/1984	91 7/8	12.45	10.61
100	1980* 100.00	EXPORT DEVELOPMENT CORP 12.75 15/ 5/1987	99 7/8	12.74	12.77
250	1980* 100.00	EXPORT DEVELOPMENT CORP 14.00 1/ 3/1985 S	104 7/8	12.84	13.79
75	1980* 100.00	FEDERAL BUSINESS DEV BK 12.25 15/ 5/1985	99 1/8	12.46	12.36
25	1975 100.00	GENSTAR 10.00 15/11/1981	98	11.78	10.20
50 50.0	1979 98.50	GENSTAR 10.00 1/ 6/1989	85 3/4	12.77 12.95	11.66
20 19.0	1977 100.00	GREAT LAKES PAPER CO 8.75 1/ 3/1984	86 5/8	13.76 14.58	10.10
25 22.0	1976 100.50	HOME OIL CO 9.50 1/ 7/1986	85 3/4	13.12 13.32	11.08
50 50.0	1979 101.00	HUDSON'S BAY 10.00 15/ 2/1994	80 3/4	13.09 13.75	12.38
75	1980* 101.00	HUDSON'S BAY 11.50 15/ 6/1990	90 7/8	13.19	12.65
50	1980* 100.00	IBM CANADA 10.50 1/ 7/1985	94 1/4	12.12	11.14
250 250.0	1979* 99.81	IMPERIAL OIL LTD 9.75 15/ 9/2009 S	76 7/8	12.65 13.08	12.74
50	1977 100.00	INCO 8.25 15/12/1984	85 7/8	12.68	9.61
100	1977 100.00	INCO 9.00 15/12/1992	75 5/8	13.07	11.90
45	1976 100.00	IAC CANADIAN FINANCE 9.00 1/ 5/1982	92 1/2	14.26	9.73
35	1976 100.00	IAC CANADIAN FINANCE 9.30 1/ 5/1986	86 1/4	13.05	11.01
50 45.7	1977 100.00	MACMILLAN BLOEDEL 9.00 1/ 2/1992	75 1/2	13.26 13.80	11.92
50 46.7	1978 99.25	MACMILLAN BLOEDEL 9.25 15/ 3/1993	78 1/8	12.82 13.36	11.84
125	1976 99.50	MANITOBA HYDRO-ELECTRIC 9.25 30/ 6/2001 S	77 1/4	12.68	12.33
100	1974 99.75	MANITOBA HYDRO-ELECTRIC 9.25 15/ 6/2004 S	75 1/2	12.88	12.63
50	1976 100.00	MANITOBA,PROVINCE OF 8.75 15/ 4/1983	90 7/8	13.01	9.63
15 15.0	1975 99.50	MANITOBA,PROVINCE OF 9.25 30/ 4/1985	90 1/2	11.99 13.67	10.22
75	1979 99.00	MANITOBA,PROVINCE OF 9.50 15/ 9/1989	83	12.87	11.45
20 6.5	1970 100.00	MASSEY-FERGUSON NED N.V. 9.00 15/ 1/1982	87	20.59 23.02	10.34
75	1976 100.00	MASSEY-FERGUSON NED N.V. 9.50 1/ 6/1991	70	15.34	13.57
40 28.5	1975 100.50	MASSEY-FERGUSON NED N.V. 9.75 1/ 7/1982	84	21.03 21.47	11.61
15 5.0	1970 100.00	MONTREAL,CITY OF 9.00 1/ 2/1985	92	11.36 12.99	9.78
50	1976 100.00	MONTREAL,CITY OF 9.25 15/ 2/1983	92	13.19	10.05
50	1975 100.00	MONTREAL,CITY OF 9.75 1/12/1981	98 1/8	11.34	9.94
50	1976 99.50	MONTREAL URBAN COMM. 8.75 1/ 6/1981	97 7/8	11.72	8.94
65 57.4	1975 100.00	MONTREAL URBAN COMM 10.875 1/10/2000 L S	88 1/8	12.89 13.18	12.72
40 32.0	1976 100.00	NEW BRUNSWICK E.P.COMM 9.00 15/ 1/1983	93 1/4	12.39 12.68	9.65
75 71.0	1979 99.50	NEW BRUNSWICK E.P.COMM 9.75 1/ 3/1994	78 3/8	13.25 13.83	12.44
50	1977 99.50	NEW BRUNSWICK,PROV OF 8.00 15/ 7/1984	85 3/4	12.88	9.33
35	1976 100.75	NEW BRUNSWICK,PROV OF 8.75 1/ 8/1983	90 1/2	12.83	9.67
75	1979 99.32	NEW BRUNSWICK,PROV OF 10.125 15/ 1/2004 S	82	12.91	12.73
25	1976 100.00	NEWFOUNDLAND & LAB HYDRO 9.75 15/ 3/1986	88 3/8	12.76	11.03
35	1976 100.50	NEWFOUNDLAND MUN FIN 9.25 15/ 9/1988	81	13.22	11.42
20 11.6	1971 99.50	NEWFOUNDLAND,PROVINCE OF 8.50 1/ 3/1986	85	12.38 14.88	10.00
30	1977 100.50	NEWFOUNDLAND,PROVINCE OF 9.00 15/ 2/1989	79 7/8	13.04	11.27
75	1977 100.00	NEWFOUNDLAND,PROVINCE OF 9.125 1/ 9/2002 S	74 7/8	12.89	12.56
50	1978 100.50	NEWFOUNDLAND,PROVINCE OF 9.25 1/ 6/1990	81 1/4	12.49	11.38

US DOLLARS-CANADA (CONTINUED)

Issued/ Amt. o/s ($m)	Year of issue/ Issue price	Borrower/ Coupon/Maturity	Price	Yield to maturity/ to avge. life	Current yield
50	1979 99.50	NEWFOUNDLAND,PROVINCE OF 10.00 15/ 3/1994	80 1/4	13.18	12.46
50	1976 100.00	NEWFOUNDLAND,PROVINCE OF 10.00 1/ 8/2001 S	81 1/2	12.90	12.65
15	1975 99.50	NORANDA MINES 9.75 1/11/1980	99 1/2	11.35	9.80
75 72.8	1978 99.00	NOVA SCOTIA POWER 9.625 1/ 6/2008 S	77 3/4	12.89 13.04	[illegible]
50 47.9	1979 99.50	NOVA SCOTIA POWER 9.75 15/ 5/1989	84	12.89 13.42	11.61
15 7.0	1970 100.00	NOVA SCOTIA,PROVINCE OF 9.00 15/ 3/1985	89 1/2	12.02 13.66	10.06
50 50.0	1980* 99.25	NOVA SCOTIA,PROVINCE OF 10.75 15/ 7/1990	90	12.56 12.76	11.94
125	1977 100.50	ONTARIO HYDRO 8.00 15/ 4/1987	79 3/4	12.67	10.03
75	1976 99.50	ONTARIO HYDRO 8.25 27/ 5/1983	90 1/4	12.63	9.14
35 21.0	1971 100.00	ONTARIO HYDRO-ELECTRIC 8.25 15/ 1/1986	88 3/4	11.11 13.18	9.30
125	1978 99.50	ONTARIO HYDRO 8.50 1/ 6/1985	86 3/8	12.44	9.84
100	1976 99.50	ONTARIO HYDRO 8.50 10/ 9/1986	83 1/2	12.55	10.18
75	1976 99.50	ONTARIO HYDRO 9.00 1/ 1/1983	93 3/8	12.23	9.61
125	1975 100.00	ONTARIO,PROVINCE OF 8.20 15/ 6/1982 S	93 1/4	12.89	8.99
100	1975 100.00	ONTARIO,PROVINCE OF 8.40 15/11/1985 S	84 5/8	12.88	10.17
250	1977 100.00	ONTARIO,PROVINCE OF 8.75 5/ 1/2008 S	71	12.40	12.70
150	1975 99.50	ONTARIO,PROVINCE OF 9.125 15/ 6/2005 S	74 7/8	12.79	12.56
75	1970 100.00	ONTARIO,PROVINCE OF 9.25 1/ 8/2000 S	76 1/4	12.90	12.50
200	1975 99.50	ONTARIO,PROVINCE OF 9.25 15/11/2005 S	75 1/4	12.88	12.67
200	1978 100.00	ONTARIO,PROVINCE OF 9.375 1/ 6/2008 S	77 3/8	12.62	12.48
250	1978 99.00	ONTARIO,PROVINCE OF 9.375 30/11/2008 S	75 7/8	12.87	12.74
300	1979 99.25	ONTARIO,PROVINCE OF 9.75 1/ 3/2009 S	80 1/4	12.63	12.52
300	1979* 99.50	ONTARIO,PROVINCE OF 9.875 30/ 9/2009 S	82 1/4	12.46	12.37
25 25.0	1975 98.50	OTTAWA-CARLETON 9.50 15/ 3/1990	86	12.02 13.44	11.05
50	1976 100.00	POLYSAR 9.50 15/12/1986	84	13.39	11.31
30	1975 100.00	POLYSAR LTD 10.00 15/ 1/1982	94	15.00	10.64
10 6.0	1970 99.25	QUEBEC,CITY OF 9.00 1/ 4/1982 S	90	17.05 17.38	10.25
20 12.1	1971 97.00	QUEBEC HYDRO-ELECTRIC 8.25 15/ 3/1986	85	12.09 13.67	9.71
25 20.0	1971 100.00	QUEBEC HYDRO-ELECTRIC ISN 8.50 15/12/1986	80 7/8	13.18 15.27	10.51
125	1976 100.00	QUEBEC HYDRO-ELECTRIC IN 8.50 1/11/1986	80 3/4	13.24	10.53
30 26.0	1974 98.50	QUEBEC HYDRO-ELECTRIC 8.50 1/ 2/1989	85	11.34 11.94	10.00
250	1976 100.00	QUEBEC HYDRO-ELECTRIC 8.60 15/ 9/2006 S	69 5/8	12.98	12.73
125	1977 100.00	QUEBEC HYDRO 9.00 1/ 8/1992	75 3/4	13.19	11.88
15 8.1	1970 99.50	QUEBEC HYDRO-ELECTRIC 9.25 1/10/1985	95	11.17 12.54	9.95
50	1976 99.50	QUEBEC HYDRO 9.50 1/ 7/1993	76 3/4	13.97	12.38
200	1975 99.00	QUEBEC-HYDRO 9.75 1/ 8/2005 S	78 1/8	13.05	12.87
75	1979 99.00	QUEBEC HYDRO 10.00 15/ 5/1999	76 3/4	13.43	13.03
100	1978 99.75	QUEBEC HYDRO-ELECTRIC 10.00 15/ 2/2008 S	80 5/8	12.90	12.79
200	1979 100.00	QUEBEC HYDRO 10.00 1/ 2/2009 S	80 3/4	12.87	12.77
200	1979 100.00	QUEBEC HYDRO 10.125 15/ 6/2009 S	81 1/2	12.90	12.81
250	1980* 99.38	QUEBEC HYDRO 10.75 15/ 6/2010 S	85	13.10	13.05
200	1979* 98.75	QUEBEC HYDRO 11.25 15/10/2009 L S	93 3/8	12.44	12.41
100	1980* 100.00	QUEBEC HYDRO 11.50 15/ 6/1992	90 1/8	13.18	12.76
200	1980* 100.00	QUEBEC-HYDRO 12.50 1/ 2/1985 S	99 3/8	13.08	12.97
30 25.0	1973 99.00	QUEBEC,PROVINCE OF 7.50 15/ 1/1988	77	12.42 13.80	9.74
50	1976 100.00	QUEBEC,PROVINCE OF 8.50 1/ 4/1981	98	12.00	8.67
75	1976 100.00	QUEBEC,PROVINCE OF 9.00 15/ 1/1983	92 3/4	12.65	9.70
50	1976 100.00	QUEBEC,PROVINCE OF 9.00 1/ 4/1984	89 3/8	13.63	10.07
15 6.0	1970 100.00	QUEBEC,PROVINCE OF 9.00 1/ 3/1985	78 1/4	16.10 19.13	11.50
60 55.2	1977 99.00	QUEBEC,PROVINCE OF 9.00 1/11/1995	73 1/8	13.17 13.85	12.31
150	1974 100.00	QUEBEC,PROVINCE OF 9.20 15/ 4/2004 S	73 1/4	13.23	12.95
100	1975 100.00	QUEBEC,PROVINCE OF 9.875 15/ 5/2000 S	79 5/8	13.11	12.79
15 15.0	1975 98.50	QUEBEC URBAN COMMUNITY 9.50 15/ 9/1982	93 3/4	13.17 13.82	10.13
25	1977 100.00	REDPATH INDUSTRIES 9.00 15/ 9/1989	73	14.53	12.33
50	1980* 100.00	ROYLEASE LTD 11.25 15/ 6/1985	95 1/4	12.60	11.81

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US DOLLARS—SWEDEN (CONTINUED)

Amount issued / outstanding	Year of issue / issue price	Borrower coupon/maturity	Price	Yield to maturity / average life	Current yield
30	1977 99.25	SAAB-SCANIA 8.50 15/ 3/1989	76 1/4	13.29	11.15
15 10.5	1972 98.50	SANDVIK 9.00 1/ 8/1986 S	90	11.68 12.78	10.25
30 24.0	1976 100.50	SANDVIK 9.50 15/ 4/1986	90 5/8	11.94 12.37	10.48
30 25.0	1972 100.25	SCANRAFF 7.50 15/12/1990	82 1/8	10.48 11.49	9.13
30 26.5	1973 99.75	SCANRAFF 8.625 15/10/1988	85 3/4	11.40 12.10	10.06
40 35.5	1976 100.00	SKANDINAVISKA ENSKILDA 9.00 1/12/1991	79 3/4	12.42 13.66	11.29
30 25.1	1977 100.50	SKF 8.00 15/ 1/1987	90 1/4	12.67 14.00	8.87
20 20.0	1976 99.50	SODRA SKOGSAGARNA 9.50 15/12/1986	81 1/8	14.20 16.41	11.71
20 16.5	1976 99.50	SPARBANKERNAS BANK 8.75 1/ 9/1983	93 3/4	11.32 13.56	9.33
30 24.5	1977 100.00	SPARBANKERNAS BANK 8.75 15/ 1/1987	86 3/8	12.06 14.16	10.37
40	1977 100.50	STATSFORETAG 7.75 1/ 2/1984	92 5/8	13.70	8.37
50 50.0	1977 100.00	STOCKHOLM, CITY OF 8.875 15/ 2/1982 S	78 7/8	12.75 14.14	11.97
60 60.0	1979 99.50	STOCKHOLM, CITY OF 9.75 15/ 3/1994 S	82 3/4	12.80 13.44	12.13
30 25.0	1976 99.00	SVENSKA HANDELSBANKEN 9.25 1/ 3/1986	87 1/2	12.45 13.65	10.57
25 12.4	1976 100.00	SWEDISH EXPORT CREDIT 7.875 15/10/1985 S	89 1/2	12.35 16.09	8.79
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIAN DOLLARS (CONTINUED)

ISSUED/ EST. O/S (MLN)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	YIELD TO MATURITY/ TO AVGE. LIFE	CURRENT YIELD
15	1976 100.00	BANQUE CANADIENNE NAT 9.25 15/ 4/1982	93	14.26	9.95
20	1976 99.50	B.C CENTRAL CREDIT UNION 9.75 22/12/1981	95 1/4	13.83	10.24
25	1977 100.00	BM-RT 8.75 1/ 6/1982	92 1/2	13.73	9.46
60	1979* 100.00	BELL CANADA 10.75 1/10/1986	92 5/8	12.34	11.61
50	1977 99.00	BENEFICIAL FIN INT 9.00 15/ 2/1984	89	13.10	10.11
25	1975 100.00	BENEFICIAL FIN INT L 9.75 15/12/1982	89	15.74	10.96
20	1975 100.00	BENEFICIAL FIN INT 10.25 15/10/1981	94	16.41	10.90
25	1975 100.00	BORG-WARNER ACCEPT-CAN 10.25 1/12/1980	98	18.23	10.46
25	1977 100.00	BRITISH COLUMBIA M-F-A L 9.00 1/ 6/1997	85 1/2	10.91	10.53
15 7.5	1974 99.00	BRITISH COLUMBIA M-F-A 9.25 15/ 5/1981	95 1/8	16.85	9.72
25	1975 99.00	BRITISH COLUMBIA M-F-A 9.25 30/ 6/1982	94	13.08	9.84
24	1979 100.00	BRITISH COLUMBIA M-F-A L 10.25 15/ 5/1999	84 3/8	12.42	12.15
20	1976 99.00	CALGARY POWER 9.75 15/ 5/1982	94 1/2	13.47	10.32
25	1976 100.00	CANADA PERM MORT CORP 9.75 1/11/1981	94 1/2	15.12	10.32
25	1976 100.00	CANADA TRUSTCO MORTGAGE 9.25 1/12/1981	95	13.75	9.74
35	1977 100.00	CANADIAN ACCEPTANCE P 9.375 15/10/1982	91	14.55	10.30
60	1980* 100.00	CANADIAN IMP BK COMMERCE 11.50 15/ 7/1985	94	13.22	12.23
50	1980* 99.50	CANADIAN IMP BK COMMERCE 13.50 15/ 5/1985	100 1/4	13.37	13.47
60	1977 99.25	CANADIAN NAT RAIL CO 8.875 1/ 3/1987	84 5/8	12.43	10.49
35	1976 100.00	CANADIAN PACIFIC SECS 9.25 15/ 4/1983	91 1/4	13.35	10.14
35	1975 100.50	CANADIAN PACIFIC SECS 9.75 15/12/1981	95 1/8	14.00	10.25
20	1976 100.00	CORP CREDIT CORP -CANADA 9.75 15/ 5/1981	94	19.28	10.37
30	1977 100.00	CREDIT FONCIER F-CAN 8.75 15/ 2/1982	93 3/8	15.98	9.37
30	1976 100.00	CREDIT FONCIER F-CAN 9.75 15/ 2/1981	97 1/2	15.35	10.00
25	1976 100.00	CREDIT FONCIER F-CAN 9.75 15/ 7/1981	96 7/8	13.68	10.06
30	1979 100.00	CREDIT FONCIER F-CAN 10.375 15/ 9/1984	91 1/2	13.21	11.34
15	1977 100.00	DRESSER IND (CANADA) P 8.50 15/ 3/1982	93	13.73	9.14
30	1976 100.00	DU PONT OF CANADA 9.50 15/ 2/1981	98 1/8	13.61	9.68
30	1976 100.50	EUROPEAN COAL & STEEL 9.00 15/ 3/1983	91	13.33	9.89
25	1977 100.50	EUROPEAN COAL & STEEL 9.00 15/ 4/1984	90	12.55	10.00
50	1979 100.00	EXPORT DEVELOPMENT CORP 10.00 15/ 5/1984	92 5/8	12.56	10.80
60	1980* 100.00	FEDERAL BUSINESS DEV BK 11.50 15/ 7/1990	93 1/4	12.72	12.33
25	1975 100.00	FIRST CANADIAN INVEST 10.00 1/ 1/1981	96 7/8	19.74	10.32
30	1979 100.50	FIRST CANADIAN INVEST 11.00 15/ 5/1984	91 3/4	12.89	10.90
20	1977 100.00	FORD MOTOR CREDIT-CANADA 8.50 15/ 5/1984	84	14.31	10.12
20	1977 99.50	FORD MOTOR CREDIT-CANADA 8.75 15/ 5/1987	80 5/8	13.26	10.85
50	1976 99.50	FORD MOTOR CREDIT-CANADA 9.25 1/ 2/1983	90 5/8	14.00	10.21
40	1976 100.00	FORD MOTOR CREDIT-CANADA 9.50 15/ 7/1982	92 1/2	14.29	10.27
40	1975 100.00	FORD MOTOR CREDIT-CANADA 9.75 1/11/1980	97 7/8	22.73	9.96
5	1976 100.00	GENELCAN D 9.00 15/11/1981	95	13.66	9.47
10	1975 100.00	GENELCAN D 9.50 1/12/1982	93	13.29	10.22
25	1977 100.00	GENERAL FOODS LTD 8.50 1/ 5/1984	87 1/4	13.05	9.74
30	1976 100.50	GEN MOTORS ACCEPTANCE 9.00 15/10/1981	95 3/4	13.24	9.40
50	1976 100.00	GEN MOTORS ACCEPTANCE 9.00 1/ 2/1982	94 1/8	13.71	9.56
40	1976 100.00	GEN MOTORS ACCEPTANCE 9.25 1/ 6/1983	91 7/8	12.89	10.07
50	1975 100.00	GEN MOTORS ACCEPTANCE 9.50 15/10/1981	96 3/8	13.10	9.86
50 50.0	1976 100.00	GEN MOTORS ACCEPTANCE 9.50 1/ 2/1986	87 5/8	12.76 13.93	10.84
30 30.0	1976 100.00	GEN MOTORS ACCEPTANCE 9.75 15/10/1988	85 5/8	12.67 13.36	11.39
50	1980* 99.75	GEN MOTORS ACCEPTANCE 12.00 15/ 6/1985	96	13.14	12.50
25	1977 100.00	WALTER E.HELLER (CAN) 9.50 15/ 7/1984	84	15.24	11.31
15	1976 98.50	WALTER E.HELLER (CAN) 9.75 15/ 6/1981	90	24.86	10.83
35	1975 100.50	HUDSON'S BAY 10.25 15/11/1981	95	14.95	10.79
60 60.0	1979 100.00	HUDSON'S BAY 10.50 15/ 4/1989	85 1/2	13.40 13.92	12.28
25	1976 100.00	IAC LIMITED 9.50 15/ 5/1981	94 3/4	17.74	10.03
25	1977 100.00	INT HARVESTER CREDIT-CAN 8.75 1/ 2/1983	83	17.91	10.54

31st AUGUST 1980

WestLB Euro-Deutschmarkbond Quotations and Yields

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
8% ADELA 76/83	81.50	9.82	17.40	2.59	1. 4.83
7¼% ADELA 77/82 PP	77.00	9.42	24.48	1.79	16. 6.82
7% ADELA 77/82 PP	74.00	9.46	25.78	1.82	1. 8.82
6% AEG 66/81	99.00	6.06	8.38	0.42	1. 2.72—81D
7¾% African Dev. Bank 78/86	94.00	8.24	9.12	5.75	1. 6.86
8% African Dev. Bank 79/87	95.15	8.41	8.94	7.17	1.11.87
6½% Airport Paris 69/84 PP (G)	96.00	6.77	8.78	1.95	1. 3.75—84D
9% AKZO 75/82 PP	100.50	8.96	8.54	1.42	1. 2.82
7¾% AKZO 76/83 PP	98.00	7.91	8.57	2.75	1. 6.83
6% AKZO 78/84 PP	91.00	6.59	9.03	3.59	1. 4.84
6½% AKZO 79/86 PP	90.00	7.22	8.86	5.50	1. 3.86
9% AKZO 80/90	102.25	8.80	8.57	7.62	15. 5.86—90S
8¾% Alusuisse Int'l. 75/83	100.75	8.19	7.80	1.89	1. 8.81—83D
5½% American Expr. Int'l. 79/87	86.00	6.40	8.42	6.37	15. 1.87
6¾% AMEX Int'l. 77/84 PP	95.00	7.11	8.40	3.59	1. 4.84
10% A.P.E.L. 74/81 (G)	100.90	9.91	9.13	1.25	1.12.77—81D
7¾% ARBED Finance 76/83 PP	96.50	8.03	9.05	3.17	1.11.83
6¾% ARBED Finance 77/87	90.50	7.46	8.66	6.75	1. 8.83—87S
7½% ARBED Finance 79/86 PP	94.00	7.98	8.81	6.09	1.10.86
9% ARBED Finance 80/87 PP	100.50	8.96	8.88	6.75	1. 6.87
8¾% Ardal-Sunndal 75/81 PP	99.50	8.79	9.33	0.84	1. 7.81
6¾% Ardal-Sunndal 77/89 PP	88.25	7.65	9.78	5.09	1. 7.82—89D
7½% Argentine 77/84	92.00	8.15	9.97	4.09	1.10.84
6½% Argentine 78/85	88.25	7.37	9.83	4.50	1. 3.85
6½% Argentine 78/88	84.75	7.67	9.96	6.07	1.11.84—88D
7½% Argentine 79/89	91.50	8.20	8.94	8.67	1. 5.85—89S
7% Asian Dev. Bk. 69/84	99.50	7.04	7.27	4.00	1. 9.75—84S
8½% Asian Dev. Bk. 75/80 PP	98.50	8.63	15.73	0.21	due 16.11.80
8% Asian Dev. Bk. 76/82	99.40	8.05	8.38	1.50	1. 3.82
7¾% Asian Dev. Bk. 76/83 PP	98.00	7.91	8.61	2.59	1. 4.83
7% Asian Dev. Bk. 77/85	94.75	7.39	8.41	4.59	1. 4.85
5½% Asian Dev. Bk. 78/88	83.75	6.57	8.46	7.67	1. 5.88
7¼% Asian Dev. Bk. 79/89	92.00	7.88	8.57	8.92	1. 8.89
10% Asian Dev. Bk. 80/90	107.65	9.29	8.78	9.67	1. 5.90
7½% Aumar 73/88 (G)	96.25	7.79	8.89	3.70	1. 2.79—88D
9% Aumar 76/84 (G)	100.50	8.96	8.75	2.41	15. 8.77—84S
7¾% Aumar 77/84 (G)	96.00	8.07	9.01	3.84	1. 7.84
6½% Australia 67/82	99.95	6.50	6.51	2.17	1.11.73—82S
6¾% Australia 68/83	99.95	6.75	6.88	2.92	1. 8.74—83S
6½% Australia 69/84	99.85	6.51	6.63	3.42	1. 2.75—84S
7¼% Australia 69/84	100.00	7.25	7.38	4.17	1.11.75—84S
7% Australia 72/87	99.60	7.03	7.07	6.42	1. 2.78—87S
10% Australia 74/80	99.90	10.01	10.73	0.09	due 1.10.80
9% Australia 76/82	101.75	8.85	7.59	1.42	1. 2.82
8¼% Australia 75/82 I PP	100.50	8.21	7.85	1.59	1. 4.82
8¼% Australia 75/82 II PP	100.75	8.19	7.71	1.67	1. 5.82
7¼% Australia 76/83	99.00	7.32	7.67	2.50	1. 3.83
5¼% Australia 77/82 PP	94.50	5.56	8.22	2.09	1.10.82
5¾% Australia 77/89	87.25	6.59	7.74	9.17	1.11.85—89S
6% Australia 78/88	88.40	6.79	8.02	8.00	1. 9.88
8% Australia 80/87 PP	100.50	7.96	7.90	7.25	1.12.87
8¼% Australia 80/90	101.25	8.02	7.92	9.50	1. 3.90
6¾% Austr. Ind. Dev. Corp. 72/87	95.75	7.05	8.02	4.02	1.11.78—87D
7% Rep. of Austria 68/82	99.25	7.05	7.64	1.59	1. 4.73—82S
6½% Rep. of Austria 69/83	99.50	6.53	6.82	2.59	1. 4.75—83S
9¾% Rep. of Austria 74/80 PP	99.75	9.77	10.87	0.17	due 1.11.80
9¾% Rep. of Austria 74/81 PP	100.00	9.75	9.67	1.25	1.12.81
8¼% Rep. of Austria 75/81 PP	99.25	8.31	9.23	0.75	1. 6.81
8¾% Rep. of Austria 75/82 PP	100.00	8.75	8.66	1.08	1. 4.79—82D
9% Rep. of Austria 75/83	101.50	8.87	8.25	2.42	1. 2.83
8¾% Rep. of Austria 75/83 PP	100.00	8.75	8.69	1.56	1. 4.79—83D
8½% Rep. of Austria 75/87	101.25	8.40	8.07	3.70	1. 5.78—87S
7¾% Rep. of Austria 76/86	101.00	7.67	7.44	4.13	2. 5.83—86S
6¾% Rep. of Austria 77/95	95.25	7.09	8.01	4.59	1. 4.83—85S
7% Rep. of Austria 77/87 PP	95.50	7.33	8.28	4.26	1. 1.83—87D
6¾% Rep. of Austria 77/87 PP	95.50	7.07	7.65	6.42	1. 2.83—87D
6% Rep. of Austria 77/87 PP	89.50	6.70	8.70	5.44	1. 9.84—87D
5¾% Rep. of Austria 78/88 PP	89.50	6.42	8.06	5.60	15. 7.84—88D
5¾% Rep. of Austria 78/90	85.00	6.76	7.95	10.17	1.11.85—90D
6¾% Rep. of Austria 79/84 PP	95.50	7.07	8.11	4.00	1. 9.84
7% Rep. of Austria 79/87 PP	93.50	7.49	8.26	7.00	1. 9.87
6¼% Rep. of Austria 79/89 PP	90.50	6.91	8.37	6.90	1. 2.84—89D
7¼% Rep. of Austria 79/89 PP	94.00	7.71	8.22	9.00	1. 9.89
8¼% Rep. of Austria 80/86 PP	101.00	8.17	8.02	5.81	20. 6.86
8¼% Rep. of Austria 80/88 PP	100.00	8.25	8.24	7.81	20. 8.88
8¼% Rep. of Austria 80/90 PP	100.00	8.25	8.24	9.81	20. 6.90
7¾% Rep. of Austria 80/90 PP	96.75	8.01	8.24	8.96	1. 8.90
7% Autopistas Catalona 78/85 PP	90.00	7.78	9.90	4.38	16. 1.85
7¼% Autopistas Espanola 69/84 (G)	97.00	7.47	8.34	3.84	1. 7.73—84S
8% Autopistas Espanola 71/86 (G)	97.75	8.18	8.96	3.46	1.10.77—86D
6¾% Autopistas Espanola 72/87 (G)	92.75	7.28	9.02	3.91	1.10.78—87D

WestLB SD Certificates (Schuldschein-Index)

5 years maturity: 8.15%

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
7¼% Autopistas Espanola 79/85 PP (G)	90.00	8.06	10.10	4.50	1. 3.85
7¼% Banco N. Desarrollo 79/86 (G)	89.25	8.12	9.85	5.50	1. 3.86
8% Banco N. Obras 71/86 (G)	99.55	8.04	8.25	6.17	1.11.77—86S
9% Banco N. Obras 76/81 (G)	100.25	8.98	8.73	1.00	1. 9.81
7¼% Banco N. Obras 77/82 PP (G)	97.00	7.47	8.98	1.96	16. 8.82
7% Banco N. Obras 77/82 PP (G)	86.50	8.09	14.82	2.13	16.10.82
7% Banco N. Obras 77/84 (G)	94.25	7.43	8.73	4.09	1.10.84
5¾% Bk. America Overs. Fin. 78/90	85.00	6.76	7.95	10.17	1.11.90
6% Bank of Tokyo 79/86 PP	91.25	6.58	[illegible]	5.42	1. 2.86
7½% Banque Ext. Algerie 77/83	94.00	7.98	9.81	[illegible]	15.10.81—83D
7¼% Banque Ext. Algerie 78/85	89.75	8.08	10.41	4.14	1.11.83—85D
7¼% Banque Nat. Algerie 78/83	91.00	7.97	11.55	2.50	[illegible] 3.83
6¾% Barclays Overs. Inv. 79/89	91.00	7.42	8.23	8.67	1. 5.89
8% Barlow Rand Inv. 78/82 I PP	96.00	8.33	10.36	1.95	15. 8.82
8% Barlow Rand Inv. 78/82 II PP	96.00	8.33	10.29	2.03	15. 9.82
6% BASF 65/80	99.80	6.01	8.20	0.09	due 1.10.71—80D
7½% BEC Finance 76/83 PP	97.25	7.71	8.51	3.17	1.11.83
8% Beecham Fin. 76/83	100.10	7.99	7.95	3.17	1.11.83
8¾% Bergen 75/85	101.25	8.64	8.16	2.59	1. 5.81—85D
7¼% Bergen 77/89	94.00	7.71	9.03	4.13	1. 2.81—89D
8¼% BFCE 75/83 (G)	100.50	8.21	7.92	1.81	1. 7.81—83S
8¼% BFCE 76/84 (G)	100.50	8.21	8.03	2.81	1. 7.82—84S
7% BFCE 77/87 (G)	95.75	7.31	7.85	6.42	1. 2.83—87S
5¾% BFCE 78/88 (G)	85.75	6.71	8.41	7.37	15. 1.86—88S
7¾% BFCE 80/87 (G)	99.00	7.83	7.94	6.36	15. 1.87
8¼% BFCE 80/95 (G)	99.00	8.21	8.24	14.36	15. 1.88—95S
8½% BNDE 77/87	97.00	8.76	9.41	3.96	1. 4.83(82-87)
6¾% BNDE 78/86	85.50	7.89	10.31	5.50	1. 3.86
9¼% BNDE 80/88	94.50	9.79	10.29	7.82	1. 7.88S
9% Borregaard 75/81 PP	99.00	9.09	10.48	0.67	1. 5.81
6½% Borregaard 77/84 PP	91.50	7.10	9.07	4.09	1.10.84
8½% Brascan Int'l. 73/88	99.25	8.56	8.63	8.09	1.10.79—88S
6¾% Brazil 72/87	89.25	7.56	8.85	7.09	1.10.76—87S
8¾% Brazil 76/86	99.20	8.82	8.92	6.09	1.10.82(80-86)
7¾% Brazil 77/84	91.25	8.49	10.73	3.67	1. 5.84
6¾% Brazil 78/85	88.25	7.65	10.16	4.42	1. 2.85
7¼% Brazil 79/87	85.50	8.48	10.48	6.34	1. 1.87
8% Brazil 79/87	91.00	8.79	9.85	6.92	1. 8.87
9¼% Brazil 80/88	97.50	9.49	9.71	7.74	1. 6.88
6¾% Brenner 68/83 (G)	98.50	6.85	7.46	2.92	1. 8.74—83S
5¾% Bruxelles-Lambert 77/84 PP	91.75	6.27	8.09	4.29	15.12.84
8½% Burmah Oil 70/85	100.75	8.44	8.38	3.09	1.11.76—85D
4¾% Canada 78/83	92.75	5.12	7.79	2.72	20. 5.83
5% Canada 78/84	92.50	5.41	7.38	3.69	10. 5.84
6% Carlsberg-Tuborg 77/87 PP	88.80	6.76	8.10	7.24	1.12.85—87D
8½% C.C.C.E. 75/85 (G)	100.00	8.50	8.46	2.51	1. 4.81—85D
8½% C.C.C.E. 76/86 (G)	100.50	8.46	8.34	4.29	1. 7.83—86D
7% C.C.C.E. 77/89 (G)	94.75	7.39	7.85	8.59	1. 4.81—89D
5½% C E C A 65/83	95.25	5.77	8.85	1.56	1. 4.71—83D
7½% C E C A 71/86	97.25	7.71	8.54	3.05	1. 5.77—86D
6½% C E C A 72/87	93.50	6.95	8.63	3.67	1. 7.78—87D
7% C E C A 72/88	95.25	7.35	8.55	3.62	2. 1.79—88D
6½% C E C A 73/88	93.75	6.93	8.44	3.87	1. 4.79—88D
7¾% C E C A 73/88	110.00	7.05	5.21	4.54	1.11.79—88D
10% C E C A 74/81 PP	101.25	9.88	8.65	1.00	1. 9.81
9¾% C E C A 74/81	101.50	9.61	8.37	1.25	1.12.81
8% C E C A 75/80 PP	99.00	8.08	11.88	0.25	1.12.80
8½% C E C A 75/82 PP	99.50	8.54	8.80	1.50	1. 3.82
8% C E C A 75/82	100.50	7.96	7.72	2.29	15.12.82
8½% C E C A 75/85	100.75	8.44	8.12	2.51	1. 4.78—85D
8% C E C A 76/81 PP	99.60	8.03	8.28	1.29	15.12.81
7¾% C E C A 76/83	98.85	7.84	8.18	3.09	1.10.83
7¾% C E C A 76/86	99.25	7.81	7.97	4.01	1.10.82—86D
6% C E C A 78/88	88.15	6.81	8.03	8.17	1.11.88
5¼% C E C A 78/90	83.50	6.29	8.32	7.39	1. 4.85—90D
6% C E C A 78/90 PP	88.50	6.78	8.45	6.21	1. 8.83—90D
7% C E C A 79/91	93.25	7.51	8.17	7.97	15. 4.84—91D
7¾% C E C A 80/90	98.50	7.99	8.10	9.34	2. 1.90
7¾% C.E.D. South Africa 78/82 PP (G)	97.00	7.99	9.54	1.89	20. 7.82
6½% CERGA 73/81 PP	98.00	6.63	10.04	0.59	1. 4.81
7% CESP 77/87 (G)	91.75	7.63	8.58	7.17	1.11.83(82-8)
6% Chase Manhattan Ov. 78/93	87.00	6.90	7.61	13.00	1. 9.84—93S
7% Chrysler 69/84	83.00	8.43	13.14	3.84	1. 7.75—84S
6¾% CIBA-GEIGY ex. w. 75/85 PP	95.00	7.11	7.98	5.07	1.10.85
6½% C.N. Autoroutes 69/84 (G)	97.50	6.67	7.89	1.96	1. 3.75—84D
6½% C.N. Energie 69/84 PP (G)	96.75	6.72	8.41	1.87	1. 2.75—84D
6½% C.N. Telecom. 68/83 (G)	97.50	6.67	7.40	3.17	1.11.74—83S
8½% C.N. Telecom. 70/85 (G)	101.00	8.42	8.28	3.01	1.10.76—85S
7¼% C.N. Telecom. 76/83 (G)	98.25	7.38	7.99	2.63	16. 4.83
6¼% C.N. Telecom. 79/87 (G)	91.25	6.85	8.02	6.50	1. 3.87
7¾% C.N. Telecom. 79/87 PP (G)	99.25	7.93	8.00	7.29	16.12.87
7¾% Comalco 71/86	99.50	7.79	8.01	5.75	1. 6.77—86S
7% Com. Fed. Electr. 77/82 PP	95.50	7.33	9.58	2.00	1. 9.82
8% Com. Fed. Electr. 77/84	98.00	8.16	8.63	3.75	1. 6.84
7¼% Com. Fed. Electr. 77/85	95.00	7.63	8.91	3.62	1.11.82—85D
6¾% Com. Fed. Electr. 78/88	90.25	7.48	9.06	5.50	1. 4.84—88D
5% Commerzbank Int'l 79/84 PP	91.50	5.46	7.99	3.34	1. 1.84
4⅜% Comp. F. Deutsche Bk. 78/83 PP	90.75	4.82	8.37	2.67	1. 5.83
5% Comp. F. Deutsche Bk 78/84 PP	92.00	5.43	7.80	3.34	1. 1.84
8½% Comp. Franc. Ptr. 75/85	100.75	8.44	8.16	2.69	1. 5.80—85S
6½% Comp. Franc. Petr. 77/84	94.65	6.87	8.17	3.84	1. 7.84
8½% Consorzio 70/91 (G)	100.00	8.50	8.68	4.94	1. 1.77—91D
5¾% Copenhagen 64/84	93.50	6.15	7.57	4.29	15.12.70—84D
7% Copenhagen 68/83	99.50	7.04	7.33	2.67	2. 5.72—83S
6¾% Copenhagen 69/84	99.50	6.78	7.02	3.75	1. 6.75—84S
7¾% Copenhagen 71/86	99.75	7.77	7.96	5.59	1. 4.77—86S
7½% Copenhagen 76/86	99.10	7.57	7.68	6.25	1.12.81—86S
6% Copenhagen 78/90	86.80	6.91	7.93	10.17	1.11.81—90S
6½% Council of Europe 73/81 PP	98.25	6.62	9.21	0.67	1. 5.81
7% Council of Europe 73/88	94.75	7.39	8.55	4.12	1. 7.79—88D
9½% Council of Europe 75/82 PP	100.50	9.45	9.03	1.42	1. 2.82
8½% Council of Europe 76/83	101.00	8.42	7.66	1.39	1. 2.79—83D
7¾% Council of Europe 76/83	99.50	7.78	7.77	1.64	1. 5.80—83D
7% Council of Europe 76/83	96.00	7.29	8.44	3.25	1.12.83
6¼% Council of Europe 77/87	92.00	6.79	8.23	5.09	1.11.83—87D
6¼% Council of Europe 78/86 PP	90.00	6.94	8.49	5.84	1. 7.86
6¼% Council of Europe 78/88	89.25	6.86	8.60	5.63	16. 5.84—88D
6¼% Council of Europe 78/88 II	90.25	6.93	8.35	6.09	1.11.84—88D
6¼% Council of Europe 78/88 III	90.00	6.94	8.41	6.09	1.11.84—88D
7¼% Council of Europe 79/89	94.75	7.65	8.47	5.51	1. 5.83—89D
7½% Council of Europe 79/89	95.50	7.85	8.37	7.01	1.10.85—89D
7¾% Council of Europe 79/94	96.90	8.13	8.36	9.34	1.11.85—94D
6½% Courtaulds Int'l 72/87	93.75	6.93	7.70	6.84	1. 7.80—87S
6% Credit National 77/87 (G)	91.00	6.59	7.69	7.09	1.10.83—87S
5¾% Credit National 78/83 PP (G)	93.00	6.18	8.49	3.00	1. 9.83
6½% Credit National 79/88 (G)	91.75	7.08	8.16	6.55	16. 4.85—89D
9% CVRD 76/84	99.75	9.02	9.05	3.42	1. 2.81(82-84)
8½% CVRD 76/86	97.25	8.74	9.08	6.25	1.12.82(83-86)
8% Daimler-Benz 70/85	102.25	7.82	7.30	3.10	1.11.76—85D
5½% Daishowa Paper 78/83 PP	92.50	5.95	8.50	2.92	1. 8.83
6% Danish Export 77/82 PP	95.75	6.27	8.84	1.66	1.11.78—82D
5¾% Danish Export 78/83 PP	95.25	6.04	8.81	1.72	1. 6.79—83D
8¼% Den Danske Bk. 78/86	99.50	8.29	8.35	6.17	1.11.82—86S
6½% Denmark 68/80 PP	99.25	6.55	15.98	0.09	due 1.10.72—80D
7% Denmark 69/84	98.75	7.09	7.51	3.92	1. 8.75—84S
6¾% Denmark 72/87	96.50	6.88	7.38	7.25	1.12.78—87S
9¼% Denmark 74/89	102.25	9.05	8.59	4.42	1. 3.80—89S
8¼% Denmark 76/82	99.75	8.27	8.38	1.42	1. 2.82
8% Denmark 76/82	100.00	8.00	8.00	2.00	1. 9.82
6¾% Denmark 77/83	96.25	7.01	8.33	2.71	16. 5.83
7¼% Denmark 77/87	96.25	7.53	7.98	6.71	16. 5.87
5¼% Denmark 78/84	90.75	5.79	8.48	3.42	1. 2.84
6% Denmark 78/88	87.00	6.90	8.42	7.42	1. 2.88
6¾% Denmark 79/85	90.25	6.37	8.47	4.42	1. 2.85
6½% Denmark 79/89	88.50	7.34	8.45	8.42	1. 2.89
7¾% Denmark 80/86	98.00	8.04	8.33	5.42	1. 2.86
8¼% Denmark 80/92	99.75	8.27	8.27	11.42	1. 2.92P
9½% Denmark 80/90 PP	103.25	9.20	8.97	9.67	1. 5.90
6¾% Den Norske Ind. 77/89 (G)	94.55	7.14	8.24	4.48	1. 6.80—89D
6% Den Norske Ind. 78/90 (G)	89.75	6.69	8.23	5.96	1. 5.83—90D

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
6½% District Paris 69/84 (G)	96.00	6.77	7.80	3.59	1. 5.83—90D
7¼% E E C 76/83	99.00	7.32	7.66	2.59	1. 4.75—84D
7% Eletrobras 77/87 (G)	92.00	7.61	8.57	7.00	1. 4.83
6¾% Eletrobras 78/86 (G)	85.50	7.89	10.27	5.59	1. 9.83(83-87)
7% Eletrobras 79/87 (G)	86.00	8.14	10.05	6.42	1. 4.86
5¼% Elf Aquitaine 78/88	84.75	6.19	8.31	6.68	1. 2.87
5¾% Elkem 78/88 PP	87.50	6.57	8.62	5.67	15. 5.86—88D
6¾% Ericsson 72/87	95.50	7.07	7.64	6.50	1. 6.84—88D
8¾% ESAB 76/81 PP	100.00	8.75	8.53	0.42	1. 3.78—87S
6½% ESCOM 65/80 (G)	99.70	6.52	9.87	0.09	1. 2.81
6½% ESCOM 68/83 (G)	94.75	6.86	9.41	2.06	due 1.10.71—80D
8½% ESCOM 70/85 (G)	99.00	8.59	8.92	2.50	1.10.74—83D
8% ESCOM 71/86 (G)	98.60	8.11	8.74	2.88	1. 4.76—85D
6¼% ESCOM 72/87 (G)	90.25	6.93	9.40	3.82	1. 3.77—86D
7% ESCOM 73/88 (G)	93.80	7.46	8.98	3.94	1. 9.78—87D
8% ESCOM 78/81 I PP (G)	99.00	8.08	10.67	0.36	1. 5.79—88D
8% ESCOM 78/81 II PP (G)	99.00	8.08	10.31	0.42	15. 1.80—81D
8¼% ESCOM 78/81 PP (G)	99.00	8.33	10.55	0.42	1. 2.80—81D
8% ESCOM 78/84 PP (G)	95.00	8.42	9.49	4.17	1. 2.81
8¾% ESCOM 79/84 II PP (G)	87.50	8.97	9.63	3.92	1. 8.84
9% ESCOM 80/87 PP (G)	97.50	8.97	9.53	3.92	1. 8.84
7¼% ESTEL 73/88	98.75	9.11	8.31	5.41	1. 8.84—87D
8½% ESTEL 75/85	97.75	7.93	8.14	7.92	1. 8.79—88S
8½% ESTEL 76/83 PP	99.30	8.56	8.67	4.75	1. 6.81—85S
6½% ESTEL 77/84 PP	98.50	8.63	9.15	2.50	1. 3.83
6¼% ESTEL 77/84 PP	90.50	7.18	9.34	4.17	1.11.84
6¾% ESTEL 78/85 PP	90.25	6.93	9.91	3.22	1.12.82—84D
7¾% ESTEL 79/86 PP	87.25	7.16	9.52	5.09	1.10.85
8¼% ESTEL 79/86 PP	94.50	8.20	8.98	5.92	1. 8.86
8¾% ESTEL 80/87 PP	96.00	8.46	8.97	6.29	15.12.86
5¾% Euratom 77/87	99.50	8.82	8.95	6.79	15. 6.87
	87.00	6.61	8.21	7.17	1.11.87
6¼% Euratom 79/91 PP	89.00	7.02	8.45	6.73	8. 2.84—91D
6% Eurofima 65/80	99.80	6.01	8.67	0.25	1.12.68—80D
6½% Eurofima 67/83	98.00	6.63	7.63	1.98	1. 9.71—83D
6¼% Eurofima 72/87	96.00	6.51	7.48	3.86	1. 9.76—87D
6½% Eurofima 73/88	94.50	6.88	8.23	3.80	1. 3.77—88D
8% Eurofima 73/88	100.35	7.97	7.90	4.39	1.10.77—88D
8% Eurofima 76/83	100.75	7.94	7.62	2.42	1. 2.83
6¾% Eurofima 77/87 PP	95.00	7.11	8.14	4.34	1. 2.83—87D
5½% Eurofima 78/88	88.00	6.25	8.62	4.84	15. 2.84—88D
5½% Eurofima 78/88 PP	86.75	6.34	8.16	6.62	1.11.85—88D
6½% Eurofima 79/89	93.00	6.99	7.93	6.34	1. 2.85—89D
7% Eurofima 79/84 PP	97.00	7.22	7.88	4.09	1.10.84
7¼% Eurofima 79/87 PP	96.50	7.64	8.04	7.09	1.10.87
7¾% Eurofima 80/88 PP	99.00	7.95	8.05	7.37	15. 1.88
6% Europ. Inv. Bank 69/84	95.75	6.27	8.58	1.95	1. 3.75—84D
7% Europ. Inv. Bank 69/84	99.25	7.05	7.45	2.62	1.11.75—84D
7½% Europ. Inv. Bank 71/86	99.00	7.58	8.05	2.89	1. 3.77—86D
7¾% Europ. Inv. Bank 71/86	99.00	7.83	8.08	3.47	1.10.77—86D
8½% Europ. Inv. Bank 72/87	94.00	6.91	8.62	3.34	1. 3.78—87D
6% Europ. Inv. Bank 72/87	92.75	6.47	8.28	3.84	1. 9.80—87D
6¾% Europ. Inv. Bank 73/88	95.50	7.07	7.55	7.42	1. 2.79—88S
7% Europ. Inv. Bank 73/88	96.00	7.29	7.69	7.84	1. 7.79—88S
10% Europ. Inv. Bank 74/81 PP	100.00	10.00	10.00	1.00	1. 9.81
8% Europ. Inv. Bank 75/80	99.85	8.01	8.37	0.25	1.12.80
9½% Europ. Inv. Bank 75/83	101.65	9.35	8.05	1.31	1. 1.81—83D
8% Europ. Inv. Bank 76/83	100.35	7.97	7.76	1.81	1. 7.80—83D
7¾% Europ. Inv. Bank 76/83 PP	97.75	7.93	8.60	3.09	1.10.83
6¾% Europ. Inv. Bank 76/84	96.75	6.98	8.12	2.70	1.12.81—84D
6% Europ. Inv. Bank 77/89	90.25	6.65	8.38	5.21	1. 8.82—89D
6% Europ. Inv. Bank 78/88 I PP	86.00	6.98	8.50	7.92	1. 8.88
6% Europ. Inv. Bank 78/88 II PP	86.00	6.98	8.42	8.21	15.11.88
5¼% Europ. Inv. Bank 78/90	83.50	6.29	8.35	7.30	1. 3.85—90D
6% Europ. Inv. Bank 78/90	85.50	7.02	8.16	10.09	1.10.90P
7½% Europ. Inv. Bank 79/89	96.50	7.77	8.06	8.75	1. 6.89
7¾% Europ. Inv. Bank 79/99 PP	96.00	7.94	8.27	8.92	1. 8.89
6½% Europ. Inv. Bank 79/91	89.00	7.30	6.10	10.34	1. 1.91P
9¼% Europ. Inv. Bank 80/86	103.50	8.94	8.43	5.67	1. 5.86
9½% Europ. Inv. Bank 80/90	106.00	8.96	8.55	9.67	1. 5.90
8¼% Europistas 71/86 (G)	98.50	8.38	9.06	2.79	1. 2.77—86D
8% Europistas 72/87 (G)	98.40	8.13	8.76	3.17	1. 1.78—87D
7½% Fin. Inst. I. Dan. Ind. 76/81 PP	98.75	7.59	8.54	1.25	1.12.78—81S
7% Finland 68/83	98.00	7.14	8.45	1.73	1. 6.72—83D
6¾% Finland 68/83	96.35	7.01	8.76	2.22	1.12.72—83D
7% Finland 69/84	97.00	7.22	8.75	2.12	2. 5.73—84D
7½% Finland 69/84	97.50	7.69	8.80	2.53	1.10.73—84D
7% Finland 72/87	98.75	7.09	7.37	6.59	1. 4.78—87S
8% Finland 76/84	100.25	7.98	7.84	2.21	1. 6.81—84S
5½% Finland 78/83 PP	93.60	5.88	8.51	2.42	1. 2.83
6% Finland 78/83	92.75	6.47	8.83	3.25	1.12.83
5¾% Finland 78/86	88.75	6.48	8.41	5.42	1. 2.86
8% Finland 79/86	99.40	8.05	8.11	6.29	16.12.86
7½% Finn. Kommunal 69/81 (G)	99.00	7.58	9.09	0.74	1.12.73—81D
8% Finn. Kommunal 71/83 (G)	99.75	8.02	8.31	1.65	2. 5.76—83D
8¼% Forsmarks 75/83 (G)	100.00	8.25	8.22	1.31	1. 7.80—83D
5¾% Forsmarks 78/90 (G)	88.25	6.52	8.43	5.67	16. 1.83—90D
7½% Francetel 76/83 (G)	98.75	7.59	7.95	3.13	16.10.83
6¾% Francetel 77/84 PP (G)	95.25	7.09	8.31	3.59	1. 4.84
7% Fuji Heavy 76/81 PP	97.00	7.22	9.60	1.25	1.12.81
9¼% Gen. Zbk. Vienna 75/82 PP	100.50	9.20	8.81	1.50	1. 3.82
8½% Gen. Zbk. Vienna 76/83 PP	100.00	8.50	8.45	1.91	1. 2.82—83D
6% Gen. Zbk. Vienna 77/87	90.25	6.65	8.39	5.17	1.12.83—87D
9¾% Giroz. Vienna 74/80 PP	100.00	9.75	9.40	0.25	1.12.80
7% Giroz. Vienna 76/81	99.50	7.04	7.43	1.17	1.11.81
7¼% Giroz. Vienna 76/83	98.00	7.40	7.97	3.17	1.11.83
5½% Giroz. Vienna 77/82	95.10	5.78	8.14	2.09	1.10.82
5¾% Giroz. Vienna 78/86 PP	87.50	6.57	8.46	6.09	1.10.86
6¾% Giroz. Vienna 73/84 PP	96.00	7.16	8.09	3.96	16. 8.84
8¾% Giroz. Vienna 80/87 PP	102.00	8.70	8.46	6.75	1. 6.87

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
6% G. I. S. 78/83 PP	94.50	6.35	8.50	2.50	1. 3.82—83D
7% Grand Metrop. Fin. 77/84	94.75	7.39	8.63	3.92	1. 8.81—84S
8% Guest-Keen-Nettl. 76/83	99.30	8.06	8.27	2.67	2. 6.83
6¾% Hamersley Iron 72/87	95.70	7.05	7.57	6.84	1. 7.78—87S
8% Hazama-Gumi 76/81 PP	98.50	8.12	10.07	0.75	1. 6.81
8¾% Hazama-Gumi 80/85 PP	100.75	8.68	8.54	4.79	16. 6.85
7% Helsinki 68/83	98.50	7.11	7.74	2.84	1. 7.72—83S
9% Hidroelectr. Ibecica 80/90	99.00	9.09	9.20	6.73	1. 6.84—90D
7% Hitachi Cable 77/82 PP	97.00	7.22	9.44	1.34	1. 1.82
5¾% Hitachi Shipbldg. 78/83	93.50	6.15	8.06	3.29	16.12.83
8¾% IAKW, Vienna 75/85 (G)	100.75	8.68	8.38	2.59	1. 5.80—85D
10% IBM 80/86 PP	106.50	9.39	8.47	5.59	1. 4.86
7¼% Iceland 69/84	99.00	7.32	7.71	3.67	1. 5.73—84S
7¾% Iceland 77/87	98.75	7.85	7.99	6.57	1. 4.80—87S
6½% I C I Int'l. 72/92	93.00	6.99	7.42	11.60	1. 3.78—92S
7½% I C I Int'l. 76/86	97.00	7.73	8.22	5.23	1.12.84—86D
6¾% I C I Int'l 77/87	94.00	7.18	8.22	5.12	1. 5.84—87D
8% ICIPU 71/91 (G)	98.25	8.14	8.61	4.93	1. 1.77—91D
8% Imatran Voima 72/87 (G)	99.00	8.08	8.37	6.34	1. 1.78—87S
7% Indonesia 78/84	92.75	7.55	9.20	4.09	1.10.84
7¾% Ind. Dev. C. South-Afr. 78/82 PP (G)	96.00	8.07	10.44	1.68	1. 5.82
8% Ind. Dev. C. South-Afr. 78/83 PP (G)	97.00	8.25	9.23	2.84	1. 7.83
6½% Industr. Bk. Japan 73/81 PP	97.75	6.65	10.03	0.67	1. 5.81
5% Industr. Bk. Japan 78/84	90.50	5.52	8.36	3.34	1. 1.84
7¾% Ind. Fund of Finland 79/87 PP	96.00	7.66	8.31	5.49	16. 9.84—87D
7½% Ind. Min. Dev. Iran 73/85	76.00	9.87	14.97	4.67	1. 5.77—85S
7¾% Ind. Min. Dev. Iran 77/87	70.00	11.07	15.06	6.84	1. 7.83—87S
7¼% Ind. Min. Dev. Iran 78/84	62.00	11.69	22.51	4.04	16. 9.84
6¾% Ind. Mtgebk. Finl. 68/80 (G)	99.80	6.76	8.03	0.17	due 1.11.73—80D
8% Ind. Mtgebk. Finl. 71/86 (G)	99.25	8.06	8.44	3.09	1.12.77—86D
7% Ind. Mtgebk. Finl. 72/87 (G)	95.00	7.37	8.80	3.67	1. 7.78—87D
6¾% Int. Am. Dev. Bank 68/83	99.50	6.78	7.06	2.84	1. 7.72—83S
7% Int. Am. Dev. Bank 69/84	99.50	7.04	7.22	3.92	1. 8.75—84S
8½% Int. Am. Dev. Bank 70/85	100.60	8.45	8.39	2.39	1. 9.76—85S
6¾% Int. Am. Dev. Bank 72/87 I	96.85	6.97	7.35	6.76	1. 6.78—87S
6¾% Int. Am. Dev. Bank 72/87 II	95.75	7.05	7.53	7.17	1.11.78—87S
8% Int. Am. Dev. Bank 76/83 PP	99.50	8.04	8.20	2.48	16. 2.83
8¼% Int. Am. Dev. Bank 76/83 PP	99.50	8.29	8.44	2.84	1. 7.83
7% Int. Am. Dev. Bank 77/87	94.50	7.41	8.13	6.34	1. 1.83—87S
6¼% Int. Am. Dev. Bank 78/88	88.50	7.06	8.40	7.34	1. 1.88
7¾% Int. Am. Dev. Bank 79/86	98.00	7.91	8.19	5.84	1. 7.86
8% Int. Am. Dev. Bank 79/89 PP	99.00	8.08	8.16	8.87	15. 7.89
8% Int. Am. Dev. Bank 80/88	99.00	8.08	8.17	7.42	1. 2.88
6¾% Int'l. Com'l. Bank 73/83	97.00	6.96	8.65	1.73	1. 6.79—83D
8¼% Ireland 76/81	99.75	8.27	8.79	0.34	1. 1.81
7½% Ireland 79/87 PP	95.00	7.89	8.50	6.67	1. 5.87
8¼% Ireland 80/88	99.25	8.19	8.25	7.34	1. 1.88
7¾% ISCOR 71/86 (G)	96.25	8.05	8.77	5.75	1. 6.77—86D
7% ISCOR 72/87 (G)	93.00	7.53	9.67	3.40	1. 4.78—87D
7% ISCOR 73/88 (G)	92.50	7.57	9.43	3.77	1. 3.79—88D
8½% ISCOR 73/88 (G)	98.75	8.61	8.84	4.45	1.11.79—88D
8¼% ISCOR 77/80 I PP (G)	99.00	8.33	33.09	0.04	due 16. 9.79—80D
8¼% ISCOR 77/80 II PP (G)	99.00	8.33	11.55	0.29	16.12.79—80D
7¾% ISCOR 78/82 PP (G)	96.00	8.07	11.83	1.07	1. 4.81—82D
8¼% ISCOR 78/84 PP (G)	95.00	8.68	9.77	4.13	16.10.84
7% Japan 68/83	100.75	6.95	6.57	1.48	1. 3.72—83S
7¼% Japan Dev. Bank 76/83 (G)	99.10	7.32	7.62	2.59	1. 4.83
7¾% Japan Dev. Bank 80/87 (G)	97.50	7.82	8.11	6.99	1. 9.87
8% Johannesburg 71/86 (G)	105.00	9.76	8.86	4.62	1. 9.77—86D
6¾% Johannesburg 72/87 (G)	98.50	8.12	8.53	3.38	1. 9.78—87D
7¾% Johannesburg 78/82 PP (G)	90.50	6.91	9.22	3.83	30. 4.82
7¼% Jydsk Telefon 69/84	96.00	8.07	10.43	1.67	15. 9.75—84S
6¾% Jydsk Telefon 72/87	97.40	7.44	8.17	4.04	1. 3.78—87D
7¼% Jydsk Telefon 73/88	96.00	7.03	7.54	6.50	1. 2.79—88D
9% Jydsk Telefon 75/82 PP	96.90	7.48	7.80	7.42	1. 7.82
	100.00	9.00	8.97	1.84	
8½% Jydsk Telefon 80/90	99.75	8.52	8.53	8.42	1. 2.90
6¾% Kansai Electric 69/84	98.35	6.87	7.46	3.60	1. 3.75—84S
7¾% Kansai Electric 71/86	99.50	7.79	7.85	5.67	1. 5.77—86S
6¾% KELAG 73/88	95.00	7.11	7.83	7.67	1. 5.79—88S
6¾% KHD Finance 72/87	96.90	6.97	7.34	6.67	2. 5.78—87S
7¾% Kjobenhavns H. Bank 76/83 PP	96.00	7.68	8.82	3.25	1.12.83
7½% Kjobenhavns Tel. 72/87	96.75	7.75	8.33	6.34	2. 1.78—87S
7% Kjobenhavns Tel. 72/87	94.00	7.45	8.19	6.67	1. 5.78—87S
6½% Kjobenhavns Tel. 73/88	94.00	6.91	7.56	7.59	1. 4.79—88S
5% KLM Royal Dutch Air. 78/85 PP	92.75	5.39	8.20	2.59	1. 5.79—85D
7% Kobe 68/83 (G)	99.00	7.07	7.54	2.75	1. 6.72—83S
6¾% Kobe 69/84 (G)	99.65	6.77	6.97	3.67	1. 5.73—84S
7¾% Kobe 71/86 (G)	99.60	7.78	7.82	5.42	1. 2.77—86S
6¾% Kobe 72/87 (G)	97.25	6.94	7.27	6.67	1. 5.78—87S
7½% Kobe 76/83 (G)	99.60	7.53	7.65	2.75	1. 6.83
6½% Kobe 77/87 (G)	93.00	6.99	7.87	6.75	1. 6.87
5¾% Kobe 78/86 (G)	88.85	6.47	8.22	5.84	1. 7.86
7¼% Kobe 79/89 (G)	94.30	7.56	8.03	9.09	1.10.89
8% Kobe 80/90 (G)	99.40	8.05	9.08	9.84	1. 7.90
7¾% Kommunl. Inst. 76/83	99.10	7.82	8.34	1.56	1. 4.81—83D
8% Kommunl. Inst. 76/84	99.25	8.06	8.21	4.12	15.10.77—84D
7¼% Korea Dev. Bank 77/84 (G)	90.00	8.06	10.25	4.25	1.12.84
5¼% Kubota Int'l. 77/82 PP	94.75	5.54	8.60	1.74	1.12.81—82D
5¾% Kvaerner Ind. 78/88 PP	90.00	6.39	8.09	5.43	1. 3.84—88D
6½% Light-Servicos 77/82 (G)	98.75	8.61	9.36	1.50	1. 3.82
6¾% Light-Servicos 78/86 (G)	85.75	7.87	10.16	5.67	1. 5.86
8½% Light-Servicos 80/90 (G)	91.00	9.34	10.30	7.28	16. 1.86—90D
9¾% Lonrho Intern. 80/87	101.00	9.65	9.52	6.67	2. 5.87
6½% Lufthansa Int'l. 79/86 PP	93.50	6.95	7.99	5.50	1. 3.86
7% Malaysia 72/84	97.10	7.21	8.47	2.20	1. 6.75—84D

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
6½% Malaysia 77/85	90.25	7.20	9.01	5.00	1. 9.85
9¼% Malmoe 75/84	101.00	9.16	8.59	1.87	1. 2.81—84D
8¼% Malmoe 76/83	99.75	8.27	8.38	1.48	1. 3.80—83D
6½% Manitoba 77/84	95.25	6.82	7.98	3.84	1. 7.84
6¾% Manit. Hydro El. 72/87	97.10	6.95	7.30	6.75	1. 6.78—87S
6¾% Megal Fin. Comp. 78/90	86.50	7.23	8.38	9.34	2. 1.85—90S
7% Megal Fin. Comp. 79/89	91.00	7.69	8.51	8.59	1. 4.87—89P
7% M E P C 73/88	93.75	7.47	8.93	3.95	1. 5.79—88D
7% Mexico 68/84	101.00	6.93	6.49	1.80	2. 1.73—84S
7¼% Mexico 73/88	96.25	7.53	7.93	7.34	1. 1.79—88S
9% Mexico 75/82	100.00	9.00	8.97	1.84	1. 7.82
8% Mexico 76/83	98.75	8.10	8.50	2.75	1. 6.83
7¾% Mexico 77/84	98.00	7.91	8.37	3.75	1. 6.84
6% Mexico 78/85	90.50	6.63	8.58	4.59	1. 4.85
6½% Mitsubishi Chemical 79/84	95.00	6.84	8.11	3.67	30. 4.84
5¾% Mitsubishi Petro 78/83	93.75	6.13	8.18	3.00	1. 9.83
7¾% Mitsui Toatsu 76/81 PP	98.00	7.91	9.85	1.04	15. 9.81
9% MODO 75/83	100.00	9.00	8.95	1.72	1. 6.80—83D
7% Montreal 69/89	94.50	7.41	8.56	4.31	1. 4.70—89D
6% Montreal 72/92	89.40	6.71	8.31	6.03	1. 9.73—92D
6¾% Montreal 73/93	92.75	7.28	7.65	12.75	1. 6.74—93S
8½% Montreal 76/86	101.50	8.37	7.94	3.22	1. 7.77—86S
7% Montreal 77/87	95.00	7.37	7.97	6.88	16. 7.78—87S
7½% Mortg. Denmark 69/84 (G)	98.50	7.61	8.08	4.17	1.11.75—84S
7% Mortg. Denmark 73/88 (G)	94.75	7.39	7.92	7.84	1. 7.79—88S
8½% Mortg. Denmark 80/90 (G)	99.25	8.56	8.61	9.82	1. 7.90
6¾% Mortg. Bk. Finl. 69/84 (G)	98.00	6.89	7.53	3.59	1. 4.73—84S
8¾% Nafi. Mexico 76/83 PP (G)	98.50	8.88	9.28	3.25	1.12.83
7% Nafi. Mexico 77/82 PP (G)	95.50	7.33	9.58	2.00	1. 9.82
8¾% Nafi. Mexico 77/84 (G)	100.40	8.72	8.58	3.50	1. 3.84
8¾% Nafi. Mexico 77/84 PP (G)	99.50	8.79	8.89	3.50	1. 3.84
8¼% Nat. Bk. Hungary 75/81	99.30	8.31	9.09	0.84	1. 7.81
6½% Nat. Bk. Hungary 77/85	90.50	7.18	8.86	5.17	1.11.85
7% Nat. Nederl. Fin. Maat 79/86 PP	97.00	7.22	7.63	6.08	1.10.86
8% Nat'l Westm. Bk. 73/88	99.35	8.05	8.11	8.09	1.10.79—88S
8% Nederl. Gasunie 79/86	100.55	7.96	7.84	4.71	1.12.83—86
8½% Nederl. Gasunie 80/87	102.50	8.29	7.85	4.96	1. 3.84—87S
6¾% New Brunswick 72/87	94.50	7.14	7.77	7.17	1.11.78—87S
7¼% Newfoundland 69/84	97.75	7.42	8.08	3.92	1. 8.75—84S
8% Newfoundland 71/86	100.75	7.94	7.73	3.31	1. 8.77—86S
6¾% Newfoundland 72/87	93.75	7.20	7.92	7.17	1.11.78—87S
6½% Newfoundland 73/88	94.50	6.88	7.47	7.59	1. 4.81—88S
6¾% New Zealand 69/84	97.50	6.92	8.38	1.87	1. 2.75—84D
7½% New Zealand 71/86	98.75	7.59	8.12	3.05	1. 5.77—86D
7% New Zealand 72/87	96.00	7.29	8.43	3.26	1. 2.78—87D
7½% New Zealand 76/83	99.00	7.58	7.92	2.50	1. 3.83
7¾% New Zealand 76/86	98.75	7.85	8.11	4.09	1.11.82—86D
6¼% New Zealand 77/84	94.25	6.63	8.11	3.67	1. 5.84
5¼% New Zealand 78/86	87.50	6.00	8.15	5.50	1. 3.86
6% New Zealand 79/86 PP	90.50	6.63	8.23	5.42	1. 2.86
6¼% New Zealand 79/87	92.10	6.79	7.87	6.34	1. 1.87
7½% New Zealand 79/87	94.75	7.52	8.13	7.04	15. 9.87
8¼% New Zealand 79/84 PP	100.00	8.25	8.23	4.25	1.12.84
7¾% New Zealand 80/88	98.75	7.97	8.09	7.86	15. 7.88
6¾% Nippon Housing Loan 79/84 PP	94.00	7.18	8.69	3.71	16. 5.84
6½% Nippon Kokan 79/84	94.00	6.91	8.49	3.59	1. 4.84
5¾% Nippon Steel 78/85	90.25	6.37	8.20	5.00	1. 9.85
8¾% Nippon T + T 75/82 (G)	101.00	8.66	7.96	1.50	1. 3.82
8¼% Nippon T + T 75/82 (G)	100.25	8.23	8.05	1.75	1. 6.82
7¾% Nippon T + T 76/83 (G)	99.00	7.83	8.12	3.09	1.10.83
5½% Nippon T + T 79/87 (G)	88.00	6.25	7.95	6.42	1. 2.87
5¾% Norcem 78/85	90.25	6.37	8.42	4.50	1. 3.85
7½% Norcem 79/86 PP	96.00	7.81	8.37	6.00	1. 9.86
5% Norddt. LB Int'l 78/84 PP	91.00	5.49	8.10	3.42	1. 2.84
6¼% Nordic Inv. Bank 79/86	90.75	6.89	8.46	5.34	1. 1.86
8½% Norges Komm. Bank 70/85 (G)	101.50	8.37	8.08	3.01	1.10.76—85S
7% Norges Komm. Bank 76/81 (G)	99.50	7.04	7.70	0.67	1. 5.81
7% Norges Komm. Bank 77/89 (G)	98.50	7.11	7.22	8.59	1. 4.80—89S
6% Norges Komm. Bank 77/89 I (G)	92.00	6.52	7.22	9.12	16.10.80—89S
6% Norges Komm. Bank 77/89 II (G)	91.25	6.58	7.33	9.24	1.12.80—89S
6% Norges Komm. Bank 78/90 (G)	89.55	6.70	7.53	9.92	1. 8.81—90S
6¼% Norges Komm. Bank 79/89 (G)	91.25	6.85	7.70	8.34	1. 1.84—89S
7¼% Norges Komm. Bank 79/89 PP (G)	97.50	7.56	7.77	8.96	16. 8.84—89S
7¾% Norges Komm. Bank 79/91 (G)	100.80	7.75	7.74	10.84	1. 7.84—91S
8¼% Norges Komm. Bank 79/94 (G)	100.25	8.23	8.20	8.47	16.12.85—94S
8½% Norpipe 76/84	100.60	8.45	8.12	2.03	1. 2.80—84S
8% Norpipe 76/89	99.00	8.08	8.17	7.75	1. 6.83—88S
6% Norpipe 77/89	86.75	6.92	8.10	9.17	1.11.84—89S
7¼% Norsea Gas 76/88	95.00	7.63	8.09	8.25	1.12.83—88S
7% Norsea Gas 77/89	93.00	7.53	8.14	8.84	1. 7.84—89S
9% Norsk Hydro 75/87	102.25	8.80	8.17	3.35	1. 3.80—87D
8% Norsk Hydro 76/88	99.60	8.03	8.06	7.59	1. 4.83—88S
6¾% Norsk Hydro 77/89	91.60	7.37	8.13	8.75	1. 6.82—89S
7¾% Norway 75/80	99.75	7.77	8.54	0.25	1.12.80
7% Norway 76/81	99.10	7.06	8.34	0.67	1. 5.81
7½% Norway 76/81	99.35	7.55	8.28	0.84	1. 7.81
6½% Norway 77/82	98.00	6.63	8.09	1.34	1. 1.82
6¼% Norway 77/82	97.25	6.43	8.13	1.59	1. 4.82
5¾% Norway 77/82	96.25	5.97	7.92	1.92	1. 8.82
4¾% Norway 78/83	93.75	5.07	7.76	2.34	1. 1.83
4⅜% Norway 78/83	92.40	4.73	7.71	2.59	1. 4.83
6¼% Norway 79/84	96.50	6.48	7.38	3.59	1. 4.84
7½% Norway 80/85	99.60	7.53	7.59	4.37	15. 1.85
7¼% Norw. Mortgage 77/87	96.00	7.55	8.31	4.63	16. 5.83—87D
6% Norw. Mortgage 77/89	90.00	6.67	8.33	5.50	16.11.82—89D
7¾% Nova Scotia 71/86	99.85	7.76	7.95	3.10	1.12.77—86D
7% Nova Scotia Power 72/87	97.75	7.16	7.40	7.25	1.12.78—87S
6¾% Occident. Int. Fin. 78/90	90.25	7.48	8.18	10.25	1.12.85—90S
6½% Occident. Overs. 68/83	94.25	6.90	8.85	3.09	1.10.72—83S
6% Oester. Donaukr. 59/84 (G)	97.00	6.19	7.90	1.87	1. 2.65—84D
6¾% Oester. Donaukr. 73/88 (G)	97.00	6.96	7.27	7.50	1. 3.79—88S
8¾% Oester. Draukr. 75/85 (G)	102.00	8.58	7.78	2.43	1. 3.81—85D
7% Oest. El. Wirtsch. 67/87 (G)	96.00	7.29	8.60	3.25	1. 2.73—87D
7% Oest. El. Wirtsch. 76/83 PP (G)	97.00	7.22	8.05	3.29	16.12.83
5½% Oest. Ind. Verwaltung 78/85 PP (G)	89.50	6.15	8.21	4.84	1. 7.85
6⅞% Oest. Inv. Kredit. 79/84 PP	98.75	6.96	7.22	4.17	1.11.84
7% Oest. Kontrollbank 76/83 PP (G)	96.00	7.29	8.44	3.25	1.12.83
6¾% Oest. Kontrollbank 77/84 PP (G)	95.00	7.11	8.47	3.42	1. 2.84
6½% Oest. Kontrollbank 77/84 PP (G)	95.50	6.81	7.89	3.84	1. 7.84
6¼% Oest. Kontrollbank 77/84 PP (G)	93.00	6.72	8.41	3.92	1. 8.84
6% Oest. Kontrollbank 77/85 PP (G)	91.00	6.59	8.20	5.17	1.11.85
5¾% Oest. Kontrollbank 78/84 PP (G)	91.00	6.32	8.54	3.92	1. 8.84
6½% Oest. Kontrollbank 78/88 (G)	92.00	7.07	7.84	8.29	16.12.88
6% Oest. Kontrollbank 79/87 PP (G)	89.50	6.70	8.15	6.42	1. 2.87
7½% Oest. Kontrollbank 79/89	95.00	7.76	8.17	9.09	1.10.89
8% Oest. Kontrollbank 79/84 PP (G)	100.00	8.00	7.98	4.25	1.12.84
7¾% Oest. Kontrollbank 79/86 PP (G)	99.00	7.95	8.07	6.29	16.12.86
8% Oest. Kontrollbank 80/87 (G)	100.00	8.00	7.98	6.42	1. 2.87
8¾% Oest. Kontrollbank 80/85 PP (G)	102.25	8.56	8.11	4.53	15. 3.85
9% Oest. Kontrollbank 80/87 PP	103.00	8.74	8.38	6.71	15. 5.87
8¼% Oest Kontrollbank 80/92	100.00	8.25	8.24	11.82	1. 9.88
7¾% Oest. Kontrollbank 80/88 PP (G)	97.00	7.99	8.28	8.00	1. 9.88
5½% Oest. Länderbank 7/82	94.50	5.82	8.25	2.25	1.12.82
6½% Ontario 69/84	96.50	6.74	8.75	1.87	1. 2.75—84D
6% Ontario 72/87	93.50	6.42	8.03	3.85	1. 9.80—87D
7½% Ontario Hydro 71/86	99.25	7.56	7.73	3.64	1.12.77—86D
6½% Ontario Hydro 72/87	95.00	6.84	8.14	3.60	1. 6.80—87D
6½% Ontario Hydro 73/88	94.00	6.91	8.39	3.79	1. 3.81—88D
7½% Oslo 69/84	98.75	7.52	7.75	2.82	1.11.75—84D
7½% Oslo 71/87	99.50	7.54	7.74	6.34	2. 1.78—87S
6¾% Oslo 73/90	93.25	7.24	7.75	9.84	1. 7.76—90S
9% Oslo 75/87	101.75	8.85	8.38	3.53	1. 3.78—87S
8¾% Oslo 80/90	102.75	8.52	8.12	5.80	1. 3.83—90S
6¾% Papua 73/88	96.00	7.03	7.44	7.84	1. 7.79—88S
6¾% Parker-Hannifin 77/87 PP	92.00	7.34	8.90	4.67	1. 6.83—87D
7½% Parker-Hannifin 79/87 PP	97.00	7.73	8.16	5.81	1. 7.85—87D
8¾% Pemex 76/83	100.75	8.68	8.45	3.25	1.12.83
7% Pemex 77/84	96.00	7.29	8.21	4.00	1. 9.84
7% Pemex 78/86	92.25	7.59	8.87	5.34	1. 1.86
7% Petrobras 77/84	90.25	7.76	10.02	4.09	1.10.84
7% Petrobras 78/88	84.75	8.26	10.56	5.99	1.10.84—88D
8% Petrobras 79/89	88.00	9.09	10.50	6.99	1.10.85—89D
7¼% Philippine 77/84	93.50	7.75	9.18	4.17	1.11.84
6¾% Phillippine 78/85	90.00	7.50	9.52	4.59	1. 4.85
8¼% Philips 75/81 PP	99.50	8.79	9.49	0.59	1. 4.81
8½% Philips 75/81 PP	99.50	8.54	9.21	0.62	15. 4.81
8¾% Philips 75/82	100.25	8.73	8.51	1.54	15. 3.82
5¾% PK-Banken 78/88	88.10	6.53	8.50	5.59	1. 5.84—88D
6¼% Postipankki 79/85 PP	98.00	6.25	6.90	2.88	1. 2.82—85D
7¼% Privatbk. Copenh. 77/83 PP	96.50	7.51	8.79	2.59	1. 4.83
6¾% Pyhrn Autobahn 77/89 (G)	89.60	6.98	8.42	6.39	1. 9.84—89D
6½% Quebec 72/87	93.75	6.93	8.54	3.67	1. 7.78—87D
7½% Quebec 77/87	96.50	7.77	8.21	6.42	1. 2.87
7¼% Quebec 77/87	94.50	7.67	8.34	6.75	1. 6.87
6% Quebec 78/90	87.00	6.90	8.52	7.05	1. 5.85—90D
6¾% Quebec Hydro El. 69/84	99.25	6.80	7.12	3.42	1. 2.75—84S
7¼% Quebec Hydro El. 69/84	100.00	7.25	7.38	2.46	1. 9.75—84D
8% Quebec Hydro El. 71/86	99.75	8.02	8.25	3.39	1. 9.77—86D
6½% Quebec Hydro El. 72/87	94.25	6.90	8.48	3.42	1. 4.78—87D
6½% Quebec Hydro El. 73/88	93.50	6.95	8.56	3.79	1. 3.79—88D
6½% Quebec Hydro El. 77/87	92.25	7.05	7.99	6.96	16. 8.87P
6¼% Quebec Hydro El. 77/87	92.00	6.79	7.72	7.25	1.12.87P
8½% Queensland Alu. 70/85	100.00	8.50	8.68	5.17	1.11.76—85S
5¾% Rautaruukki 78/88 (G)	87.00	6.61	8.82	5.50	1. 4.84—88D
7¼% Reed Paper 73/88	95.50	7.59	8.07	7.34	1. 1.79—88S
7½% Renault 80/85 PP	98.75	7.59	7.81	4.99	1. 9.85
8½% Renfe 76/82 (G)	99.75	8.52	8.62	1.84	1. 7.82
8% Renfe 77/84 (G)	97.75	8.18	8.73	3.59	1. 4.84

WestLB Euro-Deutschmarkbond Yield Index

August 31, 1980: 8.58% **July 31, 1980: 8.26%**

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
7% Renfe 79/87 (G)	90.50	7.73	8.92	6.75	1. 6.87
5¼% Ricoh Comp. 78/83	91.50	5.74	8.66	2.92	1. 8.83
7¾% Roy Bk. of Canada 80/90	98.50	7.87	7.97	9.92	1. 8.90
6¾% Roy Lease 79/84 PP	96.25	7.01	7.85	4.09	1.10.84
7¾% SAAB 71/86	99.00	7.83	8.12	5.75	1. 6.77—86S
7½% Saga Petrokjemi 77/87 PP	95.00	7.89	8.49	6.84	1. 7.83—87S
7½% Sandvik 72/87	96.90	7.74	8.60	3.25	1. 2.78—87D
9¼% Sandvik 75/83	101.50	9.11	8.49	2.42	1. 2.83
7% Sanko Steamship 77/84	95.50	7.33	8.55	3.42	1. 2.84
6½% Shell Int'l. 72/87	96.80	6.71	7.11	6.59	1. 4.78—87S
6¾% Shell Int'l. 77/89	93.85	7.19	8.01	6.34	1. 2.85—89D
7% Siemens Europe 66/81	100.25	6.98	6.74	1.17	1.11.70—81S
7% Singapore 72/82	96.50	7.25	9.31	1.84	1. 7.78—82S
6½% Singapore 77/83	94.35	6.89	8.95	2.67	1. 5.83
8½% Sira Kvina 70/85	100.35	8.47	8.52	2.67	1. 6.76—85D
6½% S.N.C.F. 68/83 (G)	96.00	6.77	8.01	3.09	1.10.72—83S
7½% Soc. Dev. Reg. 76/86 (G)	97.75	7.67	8.28	3.31	1. 4.80—86D
6¼% Soc. Dev. Reg. 77/92 PP (G)	86.00	7.27	8.89	7.45	16.12.83—92D
9% Soc. Mar. Fina 75/83 PP	100.00	9.00	8.94	1.64	1. 5.79—83D
6¼% Sorrente 79/84 PP	93.50	6.68	8.52	3.38	16. 1.84
6¾% South-Africa 69/84	99.00	6.82	7.19	3.59	1. 4.73—84S
8½% South-Africa 70/85	99.50	8.54	8.80	5.17	1.11.76—85S
7¾% South-Africa 71/86	99.25	7.81	8.06	6.17	1.11.77—86S
7% South-Africa 72/87	97.75	7.16	7.41	7.17	1.11.78—87S
9% South-Africa 80/87	99.25	9.07	9.14	6.82	1. 7.87
8% South-Afr. Broadc. 78/81 PP (G)	98.00	8.16	12.09	0.50	1. 3.81
7¼% South-Afr. Oil Fund 78/81 I PP (G)	97.00	7.47	10.05	1.17	1.11.81
7¼% South-Afr. Oil Fund 78/81 II PP (G)	97.50	7.44	9.48	1.21	16.11.81
7¾% South-Afr. Oil Fund 78/82 I PP (G)	97.00	7.99	9.52	1.92	1. 8.82
7¾% South-Afr. Oil Fund 78/82 II PP (G)	95.50	8.12	10.29	2.04	16. 9.82
8% South-Afr. Oil Fund 79/83 PP (G)	96.50	8.29	9.31	3.17	1.11.83
7¾% South-Afr. Oil Fund 79/84 PP (G)	95.50	8.12	9.28	3.50	1. 3.84
7½% South-Afr. Railway 73/88 (G)	97.50	7.69	7.93	7.75	1. 6.79—88S
8% South-Afr. Railway 78/81 PP (G)	99.25	8.06	10.09	0.34	2. 1.81
7¾% South-Afr. Railway 78/82 PP (G)	96.00	8.07	10.43	1.67	1. 5.82
8% South-Afr. Railway 78/83 I PP (G)	96.25	8.31	9.55	2.84	1. 7.83
8% South-Afr. Railway 78/83 II PP (G)	96.25	8.31	9.49	3.00	1. 9.83
7¾% South-Afr. Railway 78/83 PP (G)	94.50	8.20	9.78	3.25	1.12.83
7% South Scott. El. 73/88 (G)	96.00	7.29	7.72	7.42	1. 2.79—88S
6¾% Spain 77/84	94.25	7.16	8.53	3.92	1. 8.84
6% Spain 78/88	85.00	7.06	8.76	7.67	1. 5.88
6% Sparbank Oslo 78/90 PP	90.50	6.63	8.44	4.88	16. 5.81—90D
7¾% Standard Imp. & Exp. 78/82 PP	96.50	8.03	9.82	1.92	1. 8.82
6½% Stand. Chart. Bank 78/88	91.25	7.12	8.12	7.34	1. 1.88
6% Statoil 78/88 (G)	90.50	6.63	7.63	8.00	1. 9.84—88S
6½% Statoil 79/89 (G)	91.25	7.12	7.94	8.50	1. 3.86—89S
7% Statsfoeretag 77/85	95.50	7.33	8.22	4.50	1. 3.82—85D
10% Steiermark 74/80 PP	100.00	10.00	9.56	0.09	due 1.10.80
8¾% Stockholm County 75/87	100.50	8.71	8.55	3.42	1. 4.79—87D
8½% Sumitomo Metal 75/82	100.25	8.48	8.32	1.84	1. 7.82
7½% Sun Oil Int. Fin. 73/88	98.50	7.61	7.76	7.92	1. 8.79—88S
7¼% Svenska Cell 73/88	96.25	7.53	7.93	7.42	1. 2.79—88S

ISSUED/ OST. 0.3 (MIO)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	BOND PRICE/ SHARE PRICE	CUR. BOND YLD./ CUR. SHARE YLD.	PREMIUM/ DISCOUNT % FIRST CNV DATE
		CONVERTIBLES-U.S. (CONTINUED)			
50 50.0	1972 100.00	GENERAL ELECTRIC O/S 4.25 15/ 6/1987	79 1/2 54 1/2	5.35 5.50	17.79
50 50.0	1967 100.00	GENERAL FOODS O/S 4.625 1/10/1982 S	90 1/8 31 1/4	5.20 7.04	23.65
15 12.4	1968 100.00	GENESCO WORLD APPAREL 5.50 1/ 3/1988	50 1/4 4	10.95	DP1978
20 5.1	1969 100.00	[illegible] INTERNATIONAL NV 5.75 1/ 2/1984 S	59 1/2 3 1/4	9.90	1974
50 50.0	1967 100.00	GILLETTE INT CAP 4.75 31/12/1982 S	86 7/8 30	5.54 6.33	95.47
50 50.0	1972 100.00	GILLETTE 4.75 1/12/1987	67 1/8 30	7.08 6.33	49.92
15 9.5	1966 97.50	W.R. GRACE O/S 5.00 1/ 4/1986 S	85 1/2 44 1/8	5.93 5.21	11.67 1976
50 44.4	1968 100.00	GULF & WESTERN INT 5.00 1/ 2/1988	118 1/8 18 7/8	4.23 3.97	-2.36 DP1979
15 12.4	1972 100.00	HARRIS INT FIN 5.00 1/10/1992	262 41 5/8	1.91 1.92	-4.52 DP1983
15 10.0	1970 100.00	HOLIDAY INNS O/S 8.00 15/10/1985 S	94 1/2 27 1/8	8.64 2.58	21.94 DP1978
50 50.0	1971 100.00	HONEYWELL CAP 6.00 15/11/1986	88 3/8 88 5/8	6.79 3.39	19.66
30 16.0	1968 100.00	HONEYWELL O/S FIN 5.50 15/ 2/1983 S	95 88 5/8	5.33 3.39	10.66
25 25.0	1968 100.00	I.C.C. INT 5.50 1/ 6/1988 S	53 3/8	10.37	1979
50 50.0	1977 100.00	INA OVERSEAS FIN 6.00 1/ 6/1997	111 1/2 37	5.38 5.95	-2.57
50 50.0	1980* 100.00	INA OVERSEAS FIN 8.75 1/ 9/2000	96 1/2 37	9.07 5.95	9.54
20 20.0	1971 100.00	INTER-CONT HOTELS O/S 7.00 15/ 6/1986	81 5 1/2	8.64	102.21 DP1981
50 40.3	1968 100.00	INT STANDARD ELECTRIC 5.00 15/ 2/1988	76 1/2 30 3/8	6.54 7.90	36.18 DP1978
16 15.0	1968 100.00	INT STANDARD ELECTRIC 5.25 1/12/1988	67 3/8 30 3/8	7.79 7.90	46.33
25 16.0	1969 100.00	INT STANDARD ELECTRIC 6.25 1/11/1989	73 5/8 30 3/8	8.49 7.90	45.95 DP1979
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

WestLB
QUOTATIONS AND YIELDS

"Life" and "Maturity" appear in years and decimals of years and are—in this context—calculated as follows:

—to final maturity in case of lump-sum repayment

—to final maturity in case of a sinking fund issue, whenever the quoted price is below 100

—to average life in case of a sinking fund issue whenever the quoted price is above 100

—to average life in case the bond issue provides for mandatory drawings by lot at par only

PP—Private Placement (the smallest denomination may be larger than the usual DM 1,000 of public issue)

INVESTMENT FUNDS

The following funds include Eurobond issues within their portfolios

Quotations & Yields as at 31st Aug., 1980

SOCIETE GENERAL De BANQUE

BANQUE GENERALE Du LUXEMBOURG

Funds 31.8.1980	Price	First Issue Price	Yield %	Div. Date
Rentinvest	LuxFr 790	LuxFr 1000	8.90	20.11.79 (65.—)
Capital Rentinvest	LuxFr 1406	LuxFr 1000	(Capitalisation)	

	1.9.79 High	31.8.80 Low	1.9.77 High	31.8.80 Low
Rentinvest	LuxFr 858	LuxFr 742	LuxFr 918	LuxFr 742
Capital Rentinvest	LuxFr 1427	LuxFr 1321	LuxFr 1430	LuxFr 1274

WestLB Euro-Deutschmarkbond Quotations (Continued)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
5% Svenska Taendst. 75/85	102.00	8.82	8.02	2.43	1. 3.80—85S
6¾% Sveriges Inv. Bank. 72/87	96.75	6.98	7.39	8.50	1. 3.78—87S
7% Sveriges Inv. Bk. 73/88	97.35	7.19	7.46	7.50	1. 3.79—88S
8½% Sveriges Inv. Bk. 75/83	100.50	8.46	8.14	1.73	1. 6.80—83S
6½% Sweden 77/84	95.00	6.84	8.11	3.67	1. 5.84
6% Sweden 77/89	87.00	6.90	8.04	9.25	1.12.83—89S
7¾% Sweden 78/89	97.90	7.92	8.09	8.84	1. 7.89
7½% Sweden 79/89 PP	95.00	7.89	8.31	8.92	1. 8.89
8% Sweden 80/87 PP	99.50	8.04	8.09	6.48	16. 2.87
9¾% Sweden 80/87	107.00	9.11	8.31	6.59	1. 4.87
9% Sweden 80/87 PP	102.25	8.80	8.53	6.71	15. 5.87
7⅞% Sweden 80/90	97.00	8.12	8.33	9.98	1. 9.90
9½% Tauernautobahn 74/81 (G)	100.75	9.43	8.47	0.84	1. 7.81
9% Tauernautobahn 75/82 PP (G)	100.00	9.00	8.93	1.50	1. 3.82
9% Tauernautobahn 75/83 PP (G)	100.00	9.00	8.96	2.50	1. 3.83
5½% Tauernautobahn 78/93 (G)	82.00	6.71	7.79	12.58	1. 4.84—93S
7% Tauernkraftwerke 68/83 (G)	98.35	7.12	8.44	1.39	1. 2.74—83D
6½% Tauernkraftwerke 66/83 (G)	98.75	6.58	7.09	3.00	1. 9.74—83S
8% Tenpfinco 73/93	97.00	8.25	8.38	13.17	1.11.82—93S
9½% Tenpfinco 75/82 PP	100.00	9.50	9.42	1.50	1. 3.82
6¼% Thailand 78/83 PP	93.00	6.72	9.39	2.59	1. 4.83
8½% Thyssen Car. Fin. 75/82 PP	100.75	8.44	7.92	1.59	1. 4.82
8¼% Thyssen Car. Fin. 75/82 PP	100.25	8.23	8.07	1.84	1. 7.82
6½% Thyssen Inv. 66/81	98.65	6.59	9.22	0.50	1. 3.72—81D
7¼% Tokyo El. Power 69/84	98.70	7.35	8.06	2.18	1.12.75—84D
6½% Tokyo El. Power 79/85	94.25	6.90	8.01	4.67	1. 5.85
5½% Toyo Rubber 78/83 PP	91.00	6.04	8.96	3.09	1.10.83
6½% Traf. House Fin. 72/87	94.00	6.91	7.62	7.09	1.10.78—87S
6% Trinidad & Tobago 78/83	91.75	6.54	9.73	2.59	1. 4.83
6¾% Trondheim 68/83	97.25	6.94	7.87	3.25	1.12.72—83S
5¾% Trondheim 78/88	86.50	6.65	8.51	6.56	1. 4.86—88D
7½% T R W Int. Fin. 69/84	98.25	7.63	8.17	4.09	1.10.75—84S
6% T V O Power 78/88 (G)	89.00	6.74	8.01	7.42	1. 2.84—88S
5¾% UDS Group 78/83	91.25	6.30	9.22	3.00	1. 9.83
9¾% Unilever 74/81 PP	101.50	9.61	8.37	1.25	1.12.81
8½% Unilever 75/87	101.00	8.42	8.17	4.00	1. 5.81—87S
6½% Union Bank Finland 78/88	90.25	7.20	8.15	8.29	16.12.84—88S
5¾% Uniroyal 78/84 PP	82.00	7.01	11.73	3.92	1. 8.84
6¾% Unit. Arab. Emirats 77/82 PP	96.00	7.03	9.41	1.67	30. 4.82
7% Venezuela 68/83	98.00	7.14	7.89	3.09	1.10.74—83S
6% Venezuela 78/88	83.75	7.16	9.07	7.50	1. 3.84—88S
6½% Venezuela 78/90	83.75	7.76	9.00	10.17	1.11.85—90S
7% Vienna 68/83	99.00	7.07	7.54	2.75	1. 6.74—83S
8¼% Vienna 75/84	100.40	8.22	8.05	2.37	1. 8.79—84D
5¾% Vienna 77/84 PP	90.50	6.35	8.47	4.29	15.12.84
8½% Voest-Alpine 73/88	100.25	8.48	8.42	4.56	1.10.79—88S
8½% Voest-Alpine 75/85	100.50	8.46	8.28	2.67	1. 6.81—85D
6¾% Voest-Alpine 77/89	92.00	7.34	8.46	6.13	1. 6.84—89D
6½% Well-Fargo ex w. 73/88	93.50	6.95	7.59	8.17	1.11.78—88S
8¾% Westland-Utrecht 80/85 PP	102.00	8.58	8.18	4.50	1. 3.85
5½% Worldbank 65/85	99.25	5.54	5.77	4.59	1. 4.71—85S
6½% Worldbank 68/84 PP	96.75	6.72	8.49	1.79	2. 1.77—84D
6½% Worldbank 69/84	96.50	6.74	8.43	2.20	1. 6.75—84D
6½% Worldbank 69/84 PP	96.75	6.72	8.49	1.79	2. 1.77—84D
6% Worldbank 69/84 PP	96.25	6.23	8.04	2.04	1. 4.77—84D
8% Worldbank 70/85	100.50	7.96	7.76	2.73	1. 1.77—86D
7½% Worldbank 71/86 I	98.40	7.62	8.06	3.14	1. 6.77—86D
7½% Worldbank 71/86 II	98.50	7.61	8.05	3.10	1.12.77—86D
6½% Worldbank 72/82	96.90	6.71	8.43	1.84	1. 7.82
6¾% Worldbank 72/87	95.10	7.10	8.47	3.34	1. 3.78—87D
6¾% Worldbank 73/83	97.25	6.94	8.02	2.42	1. 2.83
6⅜% Worldbank 73/88	93.25	6.84	8.43	3.96	1. 5.79—88D
8¼% Worldbank 75/82 PP	100.50	8.21	7.90	1.75	1. 6.82
8% Worldbank 75/82	99.85	8.01	8.05	2.25	1.12.82
8¼% Worldbank 75/83	100.75	8.19	7.93	2.84	1. 7.83
8% Worldbank 76/82 PP	100.00	8.00	7.99	1.92	1. 8.82
7¾% Worldbank 76/82 PP	99.50	7.79	8.01	2.09	1.10.82
7½% Worldbank 76/83	98.90	7.58	7.95	2.67	1. 5.83
7¾% Worldbank 76/83	98.40	7.80	7.97	3.09	1.10.83
6¾% Worldbank 76/83 PP	95.75	7.05	8.27	3.25	1.12.83
8% Worldbank 76/84	100.50	7.96	7.80	3.42	1. 2.84
5½% Worldbank 77/82 PP	93.50	5.88	9.13	2.04	15. 9.82
7% Worldbank 77/85 PP	95.50	7.33	8.22	4.50	1. 3.85
6½% Worldbank 77/85 PP	93.25	6.97	8.29	4.67	1. 5.85
6% Worldbank 77/85	92.00	6.52	7.99	5.04	15. 9.85
7% Worldbank 77/87	94.00	7.45	8.24	6.34	1. 1.87
6½% Worldbank 77/87	90.75	7.16	8.35	6.67	1. 5.87
5¾% Worldbank 78/84	91.75	6.27	8.30	3.92	1. 8.84
6% Worldbank 78/88	87.35	6.87	8.23	7.92	1. 8.88
6¼% Worldbank 78/88	87.50	7.14	8.40	8.25	1.12.88
5¾% Worldbank 78/90	84.60	6.80	8.50	7.87	1. 2.87—90D
7% Worldbank 79/85 PP	96.00	7.29	8.01	4.92	1. 8.85
7⅛% Worldbank 79/87 PP	95.25	7.48	8.04	6.92	1. 8.87
7¾% Worldbank 79/91	96.50	8.03	8.24	10.84	1. 7.91
10% Worldbank 80/86	107.00	9.35	8.38	5.67	1. 5.86
8½% Worldbank 80/88 PP	100.25	8.48	8.44	7.75	1. 6.88
9% Worldbank 80/88 PP	103.00	8.74	8.44	7.67	1. 5.88
7⅞% Worldbank 80/90	97.25	8.10	8.30	9.34	1. 1.90
7⅞% Worldbank 80/90 II PP	98.50	7.99	8.10	9.34	1. 1.90
10% Worldbank 80/90	110.50	9.05	8.35	9.67	1. 5.90
8% Worldbank 80/90	98.50	8.12	8.22	9.91	1. 8.90
7¾% Worldbank 80/88 PP	98.00	7.91	8.10	7.92	1. 8.88
6¾% Yokohama 68/83 (G)	99.50	6.78	7.06	3.00	1. 9.72—83S
7% Yokohama 69/84 (G)	98.75	7.09	7.49	4.08	30. 9.73—84S
8% Yokohama 71/86 (G)	100.50	7.96	7.82	3.49	1. 8.77—86S
8% Yugosl. Inv. Bank 77/84 PP	97.50	8.21	8.70	4.29	15.12.79—84S

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AIBD
EXPLANATORY NOTES AND ABBREVIATIONS

SPECIAL REFERENCES

1. General—attached to name of borrower

D = Domestic Management Group
L = Bondholders option to redeem loan prior to maturity or to extend maturity
P = Private or semi-private placement
MC = Principal/Interest payable in more than two currencies
W = Withholding taxes (with percentage rate %).
WW = With warrants
XW = Ex warrants

2. £/DM issues

The figures shown are the fixed £/DM parities which prevail over the lives of the issues.

3. Floating rate issues

The figures given are the minimum coupon rate: % margin above LIBOR.

4. Attached to maturity description

S = Semi-annual payments
Q = Quarterly payments

5. Convertible issues

The share price is always denominated in the same currency as the conversion price. Please note that where the premium exceeds 200% no fig. is shown in premium/discount column.

The following convertible bonds are subject to convertibility into the indicated stocks.

NAME OF BOND			CONVERTIBLE INTO
American Tobacco Int.	5¼	1988	American Brands Inc.
Asia Navigation Int.	6½	1989	East Asia Navigation Co.
Bankers Int. (Lux.)	5	1986	Bankers Trust New York
Broadway—Hale Stores	4¾	1987	Carter Hawley Hale
Burmah Oil	5½	1988	Shell Transport & Trading
Chevron Oil O/S	5	1988	Standard Oil of California
Dart Industries	4¾	1987	Minnesota Mining & Manufacturing
Inter-Continental Hotels	7	1986	Pan-Am World Airways
Int. Standard Elec.	5	1988	International Tel & Tel
Int. Standard Elec.	5¼	1988	International Tel & Tel
Int. Standard Elec	6¼	1989	International Tel & Tel
ISE Finance Holding	4½	1988	International Tel & Tel
Leasco Int.	5	1989	International Tel & Tel
Levin-Townsend Int. Fin.	5	1988	Rockwood Computer
Norwich OS	4¾	1983	Morton-Norwich Products
Owens-Illinois	4½	1987	Owens-Corning Fibreglass
Plywood Champion Int.	5½	1983	Champion Int.

The following international convertible issues have fixed rates of currency conversion

COUNTRY	ISSUE/COUPON/MATURITY			EXCHANGE RATE	
DENMARK	Novo Industri	7	1989	D.Kr.5.344	= $1
FRANCE	Michelin Int. Dev.	6	1985	F.Fr.5.554	= $1
HONG KONG	Asia Navigation Int.	6½	1989	SHK5.07	= $1
ISRAEL	Leumi Int. Inv.	7	1984	£1 10.1026	= $1
JAPAN	Asahi Chemical	6¾	1990	Yen 303.0	= $1
	Asahi Optical	6	1992	Yen 282.0	= $1
	Asahi Optical	7	1994	Yen 222.13	= $1
	Asics	5¾	1993	Yen 216.0	= $1
	Canon Inc.	6¾	1994	Yen 216.45	= $1
	Dai Nippon Printing	6¾	1986	Yen 360.0	= $1
	Daiei Inc.	6	1991	Yen 300.0	= $1
	Daiei Inc.	6½	1994	Yen 224.3	= $1
	Daiwa House Ind.	7¾	1991	Yen 301.0	= $1
	Hitachi Ltd.	6¾	1984	Yen 360.0	= $1
	Hokushin Electric	6¾	1992	Yen 248.0	= $1
	Honda	5½	1989	Yen 201.60	= $1
	Ito-Kokado	5¾	1993	Yen 213.5	= $1
	Ito-Kokado	6	1992	Yen 272.0	= $1
	Jusco	6	1992	Yen 227.4	= $1
	Kao Soap	6	1992	Yen 266.0	= $1
	Komatsu Manf.	6¾	1984	Yen 360.0	= $1
	Komatsu Ltd.	7¾	1990	Yen 294.2	= $1
	Kubota	6¾	1991	Yen 303.0	= $1
	Marui	6½	1991	Yen 299.0	= $1
	Matsushita Elec.	6¾	1990	Yen 303.0	= $1
	Meidensha	11	1994	Yen 223.82	= $1
	Mitsubishi Elec.	7	1985	Yen 360.0	= $1
	Mitsubishi Gas Chem.	6	1992	Yen 272.0	= $1
	Mitsubishi Heavy Ind.	6½	1991	Yen 305.55	= $1
	Mitsubishi Corp.	6	1992	Yen 267.0	= $1
	Mitsubishi Corp.	7½	1990	Yen 293.0	= $1
	Mitsubishi Corp.	6¾	1991	Yen 301.0	= $1
	Mitsubishi Corp.	7¾	1994	Yen 224.74	= $1
	Mitsui & Co.	7¾	1990	Yen 288.0	= $1
	Mitsui & Co.	8¾	1989	Yen 289.0	= $1
	Mitsui Real Estate	6	1992	Yen 267.8	= $1
	Nippon Seiko	7¾	1994	Yen 224.48	= $1
	Nitto Elec. Ind.	6	1992	Yen 264.13	= $1
	Nitto Elec.	6	1994	Yen 219.64	= $1
	Ricoh	6¾	1991	Yen 295.0	= $1
	Sanyo Electric	6¾	1991	Yen 293.55	= $1
	Sanyo Electric	7½	1990	Yen 302.17	= $1
	Settsu Paperboard	6¾	1992	Yen 243.0	= $1
	Sumitomo Elec.	6	1992	Yen 267.0	= $1
	Sumitomo Metal	6	1992	Yen 287.5	= $1
	Takeda Chemical	6	1984	Yen 360.0	= $1
	Takuni Dept. Store	6	1992	Yen 288.0	= $1
	Toshiba	6¾	1992	Yen 264.0	= $1
	Toshiba	6¾	1990	Yen 296.8	= $1
	Toshiba	7¾	1994	Yen 226.45	= $1
NETHERLANDS	Ennia	7¾	1992	D.Fl.2.4685	= $1
	All other issues			D.Fl.3.60	= $1
SINGAPORE	Dev. Bank of Singapore	6½	1991	S$2.44	= $1
	United Overseas Bank	6½	1988	S$2.32	= $1
SOUTH AFRICA	Rand Selection Corp.	6½	1986	RD0.7143	= $1
SWEDEN	Aga	7¾	1989	SwKr4.31125	= $1
	Esselte	7¾	1989	SwKr4.35875	= $1
	Sandvik	6¾	1988	SwKr4.7825	= $1
UK	Babcock Nederland	7	1991	£0.574	= $1
	Beecham Fin.	6¾	1992	£0.574	= $1
	Boots	6¾	1993	£0.529	= $1
	Burmah Oil	5½	1988	£0.417	= $1
	Burton B.V.	5¾	1982	FFr.11.88225	= $14
	Compair (UK)	8½	1987	£0.582	= $1
	ICI Int. Fin.	6¾	1997	£0.574	= $1
	Inchcape (Bermuda)	6¾	1992	£0.582	= $1
	Rank Organisation	4¾	1993	£0.425	= $1
	Slater Walker	5¾	1987	£0.385	= $1
	Thorn Int. Fin.	7	1988	£0.530	= $1

Union Bank of Switzerland (Lux.) 5% 1981 differs from other convertibles in that the bonds are denominated US$1350 and each bond is convertible into 1 Bearer share of S.Fr.500 nominal value of UBS. Credit Suisse (Bahamas) 4¾ 1991 differs from other convertibles in that the bond is denominated US$1000 and each bond is convertible into 1 Bearer Share of S.Fr.500 nominal value of Credit Suisse. The following convertible issues have conversion rights which expire prior to maturity.

NAME OF BOND		MATURITY	CONVERSION RIGHTS EXPIRE
Asahi Chemical	6¾	30/9/1990	15/9/1990
Dai Nippon Ptg.	6¾	31/5/1986	30/4/1986
Hitachi	6¾	30/9/1984	31/8/1984
Mitsubishi Elec.	7	31/3/1985	28/2/1985
Rand Selection	6½	1/3/1986	31/1/1986
Takeda Chem.	6	31/3/1984	28/2/1984
Toshiba	6¾	30/9/1990	15/9/1990

6. Denomination of non-dollar bonds

Euro-guilders — all denominated	Fl. 10,000
French Francs — all denominated with the exception of	FFr. 5,000
Aerospatiale	FFr. 10,000
European Coal & Steel 7% 1980	FFr. 10,000
European Coal & Steel 7½% 1981	FFr. 10,000
Francaise de Petroles — BP	FFr. 10,000
Philips Lamps 10¾% 1980	FFr. 50,000
Roussel — Uclaf	FFr. 10,000
SOPAD	FFr. 59,000
STERLING-DEUTSCHE MARKS	
Enso Gutzeit 6½% 1980	£100; £500
ICI 8% 1986	£500
Ireland 7% 1981	£500; £500
Ireland 7% 1988	£500
Met. Estates 6¾% 1987	£500
New Zealand 6¾% 1982	£90; £450
Rothmans Int. 6¾% 1992	£500
Sira Kvina 7¾% 1983	£100; £500
Turin 6½% 1984	£100; £500
US Rubber 6% 1989	£100; £500

7. Yield calculations

All yields are calculated on annual rates e.g. a 10% bond standing at par, paying interest once p.a. will have a current and maturity yield of 10%. A 10% bond paying semi-annually would yield 10.25%. Market practice demands that the current yield on $ floating rate bonds is calculated as coupon/price.

8.

These securities have not been registered under the Securities Act of 1933 and may not be offered or sold directly or indirectly in the United States, its territories or possessions, or to nationals or residents thereof.

The information is from reports from official and other sources which we consider reliable, but adequate means of checking its accuracy are not available and we do not guarantee that the information contained herein is accurate or complete.

9. Other notes

The amounts shown as remaining outstanding are estimated by applying the scheduled sinking fund instalments. These are further adjusted where a non-cumulative option to double sinking fund payments has been exercised.

Yields are calculated in accordance with Rule 803 of Statutes, By-Laws, Rules and Recommendations of the AIBD using compound interest throughout. Negative yields are not shown.

The maturity, average life and first call yields are adjusted to a 360 day annual rate.

Yield to next call is shown on the basis that the borrower gives notice that he wishes to call the bond as soon as possible after the date of publication of this list.

Unit of account bonds

The new units of account formula applies to issues from 1973 onwards and the old formula to issues in or prior to 1972.

All payments of interest and capital of EUA bonds are made on the basis of the strongest reference currency, which means that the bondholder receives the equivalent in his own currency of the EUA/strongest reference currency parity prevailing at the time of payment. The EUA can thus at any given time be identified with the strongest reference currency. For convenience sake, however, bonds are quoted on the secondary market on the basis of the EUA/DM parity prevailing at the time of quotation. In order to be correct, yields for EUA bonds should be calculated on the basis of the strongest reference currency. For this purpose the price in DM is converted into the price in the strongest reference currency, taking into account the premium (if any) of the strongest reference currency against the DM. It is on the thus reduced price that the yield calculations are made.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Driving ambition that steers an unusual partnership

Nicholas Leslie reports on a French transport company with 550 lorry owners, each making well above average earnings

FOR A transport company, Henri Grossetête's headquarters at Soissons, north of Paris, is unusually stylish. Instead of the more austere an utilitarian designs usually associated with big lorries and greasy workshops, one finds an attractive glass and concrete affair that would easily be mistaken for the head office of a bank or insurance company.

But Savam, as Grossetête's company is called, is full of surprises. Not least is that, while he is clearly a tough entrepreneur, he combines some of the typically autocratic characteristics of the French private company "patron" with an unusual social philosophy. One of its major manifestations is that each of his 550 drivers is not an employee, but a partner.

This gives the clue to why, instead of dragging out their time at Soissons, where they can enjoy a plush restaurant and lounge—complete with colour television — and a private cinema and gymnasium the drivers are on the road most of the time and, according to Grossetête, earning more than twice the average for salaried drivers in the French transport industry.

Drivers who join Savam must expect to work hard and accept a fair degree of responsibility. Their major obligation is that they must buy their own lorries and arrange their maintenance. A lorry off the road could well affect a drivers earnings. Similarly, careless driving resulting in a damaged vehicle can hit him in the pocket.

But in return for their own efforts, the drivers are on the whole assured of good cargoes; they have access to a variety of keenly priced insurance and other benefits and, though essentially self-employed, all their administrative work is done for them. They are also more or less guaranteed uninterrupted weekends at home, which is not always the case elsewhere in the industry. And, of course, they earn good money.

Once they have finished paying off their five years of instalments on their vehicle, they have a number of options. One is to keep the lorry on the road, thus boosting their earnings for perhaps three more years until the time comes when replacement is essential if reliability is to be assured. Another is to sell the vehicle, which after depreciating the original outlay against tax, will mean that a capital gain is incurred; as the rate of capital gains tax is only 15 per cent they generraly have more than enough for a down-payment on the next lorry.

Concrete

Alternatively, as some have done, they leave the company and, with the funds accumulated from the sale of the lorries and their earnings, set up their own business.

Grossetête is philosophical about losing drivers this way—indeed, he is actually quite proud of having provided a means for people to set up on their own in such diverse businesses as butcher's shops and transport cafes.

Savam (Soissonnaise d'Achat et de Vente de Materiel) has not always been structured in the way it is now. It has evolved from ideas and principles that Grossetête held in embryonic form for a number of years before developing them into something concrete.

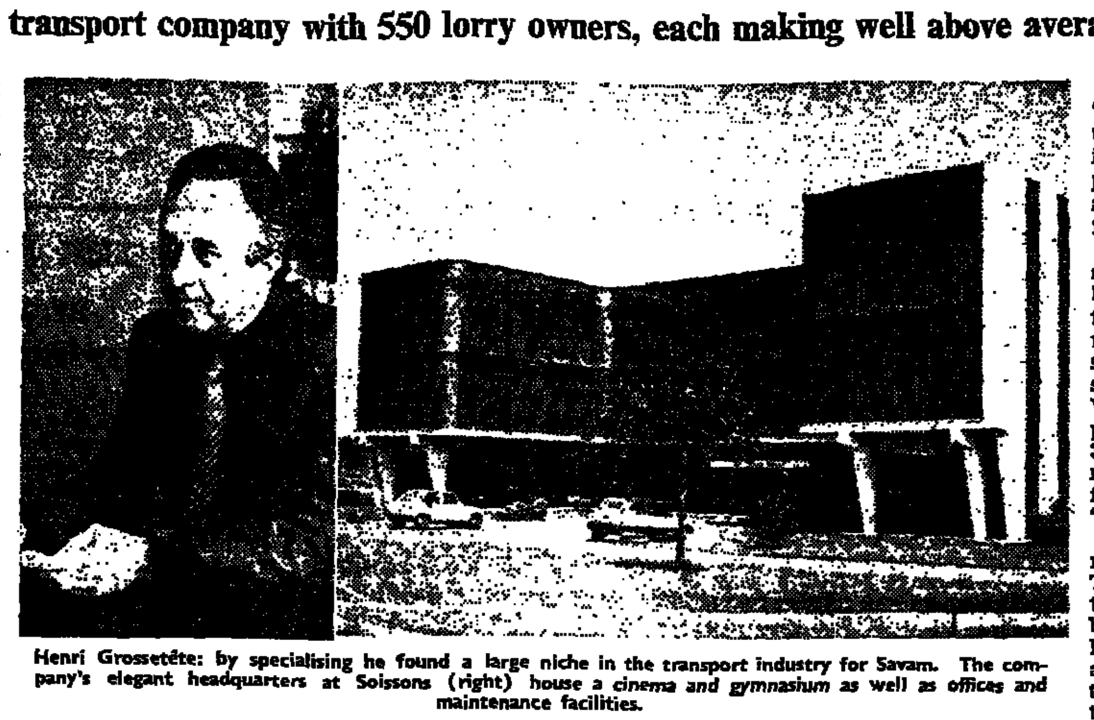
Now 51, Grossetête was a commercial vehicle retailer with a major Daf distributor when, just over 10 years ago, he decided to look for a niche that he could exploit in the transport industry. His findings showed that there was indeed room for a new business—provided he specialised.

He set up Savam in its present form in 1971, with specialisation as his watchword. First, the company uses only Daf lorries. Obviously a major reason for this is Grossetête's continued ownership of the Daf distributorship (through a separate company). But he does nonetheless genuinely believe that they are the best for his purpose. Using only one make of truck puts him in a strong bargaining position with the manufacturer; maintenance is therefore efficient and economic, and Daf incorporates particular design features required by Savam. Two sizes of vehicle are used: 80 cubic metre capacity and 100 cubic metre, which is a truck plus trailer.

The second element of specialisation is that Grossetête is only prepared to carry high volume/low weight cargoes of less than 125 kg per cubic metre. This means not only that the products within such limits are generally of a type that are moved in quantity—thus ensuring his lorries are filled—but also that transport costs are very often a relatively small factor in the total cost of the products. Additionally, by moving generally lighter goods of particular categories fuel costs can fairly easily be projected and kept within limits. These factors combine to enable Savam to take all its orders over the phone and thus operate throughout France from its Soissons base, with no regional depots.

The key element in Savam's operations, the partnerships, are intriguing. They developed out of Grossetête's early attempts to involve his drivers in the principles of cost cutting and profit maximisation. Some three years after setting up Savam he implemented the concept of making each driver a legal, profit participating partner with the company, though not with each other, as a means of providing a tangible incentive and a greater feeling of involvement. Though straightforward in its creation, the system initially proved to be fraught with taxation problems, but Grossetête persevered with the authorities until these were largely overcome.

In France, every transport business—even if it comprises only one lorry—must have a state licence if it operates over 200 kilometres. These licences are owned by Savam rather than the drivers, which buys them as and when they become available (there is only a limited number, harking back to the time when the government set about boosting transport business on the railways by controlling road transport). Savam also handles all sales, distribution and other administrative work for the drivers in exchange for a commission.



Henri Grossetête: by specialising he found a large niche in the transport industry for Savam. The company's elegant headquarters at Soissons (right) house a *cinema and gymnasium* as well as offices and maintenance facilities.

Cargoes

The Savam drivers do not, however, have quite the same financial security as salaried drivers since their earnings are directly dependent both on Savam's ability to get new business (though to date, this has proved to be no problem) and on their own ability to deliver their cargoes. At the same time, they bear the expense for their national health insurance and pension, and for insurance for such things as vehicle repairs and loss of earnings in the event of a major breakdown (though insurance cover is arranged by Savam at good group rates).

The results of this partnership effort, according to statistics quoted by Grossetête, are striking. Average gross earnings of drivers, after they have paid their monthly hire purchase instalments, are almost FFr 10,000 a month (over £1,000), or FFr 119,000 a year (£12,400)—though this is reduced to around FFr 8,000 after national health and pension payments have been made. This, he says, compares with the monthly average of FFr 4,500 earned by a salaried driver.

This differential has clearly been achieved partly by the efficiency of Savam's own organisation and partly by the drivers' own efforts—they put in a lot of effort, according to observers of the company. The upshot is that they achieve lorry loadings averaging more than 85 per cent, which is at least 10 per cent higher than the industry average.

Another factor is that costs are kept down by judicious driving and careful maintenance. According to Grossetéte, tyre life is around 250,000 kilometres (three times the general industry figure), a rate achieved largely by such simple means as driving at reasonable speeds, particularly on corners and not bumping into kerbs. Engine lives of some 800,000 kilometres are not untypical (against 350,000 kilometres generally in the industry).

Drivers can elect to have their lorries serviced at their local garage or at Soissons, where at least FFr 1m of stocks is always on hand, including virtually every engine part. Generally, if there is a major fault, the part will be replaced immediately to save time off the road; it will then be repaired and put back into stock. Even a whole engine can be replaced in this way.

Grossetête also negotiates tough servicing deals with Daf. Over 100 new vehicles are now being bought each year and, not surprisingly, Grossetête is regularly courted, unsuccessfully, by other lorry makers. Daf also provides attractive guarantees on parts. And if body-builders specify a given period for a repair and then exceed it, they will find themselves having to pay compensation equal to a day's sales revenue of the lorry for each half day's delay completing the repair.

Each driver is provided with his own set of monthly accounts, setting out his level of sales and his expenses. In addition to the operating account there is a cash account detailing each driver's net balance, after provision has been made for any possible liabilities—such as fines for motoring infringements.

The provisions are an important point, given the advent over a year ago of tough EEC laws relating to driving hours. A maximum 48 hours a week, or 92 hours a fortnight, of driving are now permitted, with strict guidelines on rest periods. A tachograph in each lorry monitors these exactly, together with the lorry's speed. Computer equipment recently installed at Soissons can rapidly convert information on a tachograph disc into diagrammatic form, highlighting any infringements and estimating the likely fines to be paid by a driver if his particular disc is selected for scrutiny during a Government inspector's spot check.

Any slackness by a driver can work against him financially. If he breaks driving laws, for example, his cash account reflects his likely fines. If his incidence of accidents is high he will find that, although Savam negotiates competitive group insurance, he will have to pay a higher premium to Savam for his personal insurance than would another driver with a good record.

Each driver is assured of a "fair deal," partly because all their accounts are open for inspection by one another, and partly because a system is operated whereby each is offered the same amount of options.

While Grossetête has a "common interest" approach to business, it is very much on his terms. The drivers' contribution is clear-cut; their partnerships are effected through a subsidiary company called Volume Transport, which is 70 per cent owned by Savam and 30 per cent by the drivers. The marketing, operational and financing aspects of the business "I feel I own," Grossetête says.

This means the drivers play no part in obtaining business. They accept the loads offered to them and at a price negotiated by Savam. To get their next load they merely ring Soissons as soon as they have unloaded their lorry and are told where they should go to pick up the next consignment. The progress of each driver and the matching of them to orders is monitored in an operations room at Soissons.

There, three large maps of France, side by side, are used to follow the paths of lorries and orders over three days at a time. Numbered markers indicate the lorries' destinations, and their arrival date, while coloured markers indicate, respectively, where orders have been taken and where they should be delivered. As soon as a lorry has been unloaded, its driver rings in for a new load and his number is matched with the location marker for a delivery the next day or the day after.

There is always a constant buzz of activity in the operations room. Savam does not negotiate long-term contracts but instead, deals in the spot market, picking up orders each day.

Computer

Every shipment is recorded by the marketing department. Details of each lorry movement, type of lorry used, customer, driver and type of goods are all fed into a computer. This enables a picture to be built up of the source of the greatest demand — in terms of both industry and geographical area —and what lorry is needed.

By identifying geographical areas of demand, Savam is able to plan where new drivers need to be recruited. The general trend of customer demand has also dictated the need for more of the bigger, more expensive lorries. So, although a driver can choose to buy either a small or large vehicle when he enters a partnership, it seems inevitable that, if this trend continues, the element of choice will decline.

To date, Grossetête has shown a remarkable aptitude for maintaining growth, keeping his partners happy and also encouraging administrative employees of Savam by making them shareholders in the company. Around 30 to 35 drivers leave each year, generally because they have ambitions to operate a transport business on their own or because they want to capitalise on their lorry and move into a different sphere. Some, of course, leave because they are unhappy with the company.

As with all innovative ventures that are riding on the wave of success, the big question is, what happens if there is a downturn? The question is particularly pertinent in companies like Savam, where profit sharing exists.

Grossetête says he is aware of the problems that might be created. He has consequently attempted to anticipate such an event by making it clear to all the partners precisely what an economic downturn will mean—in simple terms, less earnings. But he is adamant that they understand perfectly the implications and that they would be prepared to suffer the consequences until such time as an upturn occurred.

Meanwhile, he is still looking to the future. As well as the probability that he will expand his operations into Belgium—and just possibly, the UK—he has also set his sights on acquisitions. But even if he moves into a different area, he would again specialise.

Then again, he has his sights set on going public at some time. With a turnover of over FFr 155m (£16m) and pre-tax profits of FFr 27m (£2.8m) Savam is certainly big enough. Grossetête has also moved towards this goal by surrounding himself with outside professional expertise and finance through the sale of small minority stakes to three institutions. One is Charterhouse S.A., the French development capital subsidiary of Charterhouse Development (a subsidiary of the British Charterhouse Group), whose role is to advise Savam in its expansion strategy.

The other minority shareholders are the French merchant banking subsidiary of the major Belgian bank, Société de Genérale de Belgique, which would be able to assist in the company's flotation, and a major French institution (unidentified), which could provide funds.

Grossetête has been very active in getting this institutional support around him over the past year, and is clearly girding himself for his next major push.

BUSINESS PROBLEMS BY OUR LEGAL STAFF

Long service awards

A small private company has four shareholders as follows: A is a completely non-working director, B is a part-time director 2-4 hours per week, C is a full-time director, and D is an outside shareholder. Over 95 per cent of the shares are held by A and B. A merely receives a nominal £75 per year, whereas B and D share the profits between them. Under the extra statutory concession could long service awards (now possible up to £10 per year of service) as tangible articles be made to A, B and C or any of them—all of whom have over 20 years service, without fear of challenge from the Revenue? Would the cost of such awards be deductible from the company profits, without fear of challenge?

The best source of advice on the prospect of avoiding schedule E (and F) tax must be the company's accountants, because of their knowledge of the background facts.

On the bare facts, we doubt whether gifts to anyone other than C would be regarded by the company's tax inspector as eligible for the beneficial treatment which you seek, viz exemption from schedule E tax under concession A24 and deduction in the company's case I computation.

Redundancy money

I am closing down the small factory I own; the work people will be paid redundancy as laid down by current legislation. However, I am at a loss to decide what redundancy pay to give the staff. Does the same legislation apply to salaried staff as with people on the shop-floor?

The statutory requirements are the same for all employees whether their remuneration is described as wages or as salary.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

LOMBARD

The wrong man at the top

BY GEOFFREY OWEN

GENERAL MOTORS has just appointed a finance man to be its new chairman, revealing a preference for this particular discipline which is shared by a good many other large U.S. corporations. Is there any connection between this trend and the declining competitiveness of the U.S.? There are, of course, all sorts of explanations of what has gone wrong with U.S. industry, just as there are in the UK, but a view which appears to be gaining ground is that preoccupation with financial controls and short-term financial performance has inhibited investment in new product development which often takes many years to pay off.

Mr. William Abernathy and Mr. Robert Hayes, writing in the July-August issue of the Harvard Business Review, argue that developing new products and processes which open up new markets or restructure old ones requires, among other things, imagination and "technological daring" — qualities which the detached, analytical finance man rarely possesses. Such men are good at using assets more efficiently and finding ways of reducing overheads, but shy away from programmes which could have an adverse effect on the next quarterly earnings report.

Listless

The authors quote a European businessman who says: "The U.S. companies in my industry act like banks; all they are interested in is return on investment and getting their money back." This "competitive listlessness," the authors suggest, stems in part from the structure of large, diversified corporations. There is a gulf between head office, which judges the subsidiaries on the basis of quantitative measurements like return on investment, and the men in the field who are fighting the competitive battle.

Expansion of the business by financial mechanisms—notably through acquisitions—is felt to be less risky than the pursuit of innovation through internal research and development. "When executive suites are dominated by people with financial and legal skills, it is not surprising that top management should increasingly allocate time and energy to such concerns as cash management and the whole process of corporate acquisitions and mergers. Mergers are obviously an exciting game; they tend to produce fairly quick and decisive results and they offer the kind of recognition that helps careers along."

It is not unusual in the U.S. for a high-flying executive to be plucked from, say, an electronics company to take the top job in a company making construction equipment. His skills as a professional manager are assumed to be transferrable, even though he knows nothing about the new company's products, technologies or customers. The generalist, with experience of several companies and often, though not always, with a financial background, is valued more highly than the production man or engineer.

Part of the Abernathy-Hayes thesis is that European and Japanese companies which have achieved technological superiority have done so through a greater long-term commitment to innovation. "The time line by which they manage is long and it has made them painstakingly attentive to the means for keeping their companies technologically competitive." They tend to have lower profit margins and higher debt-equity ratios than their American rivals—a factor which, especially in the case of Japan, causes some U.S. companies to claim that the competition is unfair. Financial ratios are important to firms, but concern for the product is paramount.

Some American (and British) companies would no doubt argue that there need be no conflict between short-term financial performance and long-term competitiveness: there is no reason why a finance man at the top cannot create an environment in which the pursuit of excellence in product and process development is encouraged. Yet there are observable differences between the character and background of many of the men who run German and American industry. Without under-estimating the contribution made by such U.S. institutions as the Harvard Business School, it is just possible that the cult of the professional manager has been overdone.

A threat to lawyers' confidences

THE WEEK IN THE COURTS

BY JUSTINIAN

THERE ARE occasions when English courts are faced with two valid legal principles that each point to a different forensic conclusion. The choice that the courts ultimately make will depend upon their fundamental approach to legal problems.

A case now pending before the European Court of Justice at Luxembourg is likely to highlight the different solutions evolved by different legal systems to a common problem. The issue before the Court is a claim to legal privilege by a party to litigation with the E.C. Commission.

A. M. & S. Bristol is a company registered in England and is part of the Rio Tinto group. Proceedings were instituted against the company by the Commission under Regulation 17/62, which is the enforcement procedure used to implement the EEC law making restrictive practices illegal. By its decision in July 1979 the Commission required A. M. & S. to submit at its premises to an investigation by Commission officials and in particular to allow the officials to examine documents for which legal privilege was being claimed. A. M. & S. appealed against that decision, and the matter is to be resolved by the Court towards the end of this year.

So crucial is the problem seen in the eyes of the legal profession that the Consultative Committee of the Bars and Law Societies of the European Community (CCBE) has obtained the leave of the Court to intervene in the proceedings, as have both the British and French Governments.

The case raises two basic questions. Is there a doctrine of legal privilege in Community law, particularly with regard to documents passing between a lawyer and his client? If so, who is to determine whether a document is entitled to be withheld from disclosure under the cloak of legal privilege?

The results of the case will have a direct bearing on the rights and duties of individual lawyers throughout the Community, as well as upon the interpretation, application and enforcement of the rules of professional conduct by the national professional authorities.

The two competing principles applicable to legal privilege in England serve the same legal end, the administration of justice. The first principle is that all relevant evidence should be available for the court to adjudicate upon the issues to which that evidence relates. This principle speaks loudly in favour of disclosure of everything that is readily accessible. Both parties to the dispute should thus be able to make whatever use they wish of the disclosed material.

The second principle stems directly out of the adversary system of the administration of justice in contradistinction to the inquisitorial procedure of the systems of law in the rest of Western Europe. British society provides an objective code of law and courts in which civil contentions can be decided. But the British approach is one that is concerned only with providing the forum in which the law can be debated and the issues resolved, with some additional financial assistance from the state in the form of legal aid for those insufficiently affluent to afford litigation. That done, the parties are left to their own devices, to decide what evidence they will bring forward and how they will argue their respective cases. The theory is that only in this way can the judge be removed from the hurly-burly of the disputations arena and so enable him to adjudicate the rival contentions dispassionately.

This does not itself lead to the doctrine of legal professional privilege. But the adversary system calls for legal representation if it is to operate with justice. It rarely happens that a man is fit to plead his own cause. Lawyers, Dr. Johnson said, are a class of the community who by study and experience have acquired the art and power of arranging evidence and of applying to the points at issue what the law has settled. A lawyer is to do for his client all that his client might fairly do for himself if he could.

This system of adversary forensic procedure, with legal professional advice and assistance, demands that communications between lawyer and client should be confidential, since the lawyer is for the purpose of litigation merely the client's alter ego. So too the material which is to go into the lawyer's brief, for it is the client's material. This is the basis for the privilege against disclosure of material collected by or on behalf of a client for the use of his lawyers in anticipated or pending litigation. The adversary is not entitled to have a sight of his opponent's documents to find out what he is going to say at the trial.

This principle, so deeply embedded in the English system strongly points to the claim that communications between client and lawyer are confidential, and that the lawyer must not disclose the material unless his client consents.

Historically the principle that a litigant must bring forward his own evidence to support his case, and cannot call on his adversary to make or aid it, has been fundamental to the outlook of the courts of the Common Law. It was only the chancery courts, whose conscience was affronted by forensic success contrary to justice obtained merely through the silent non-co-operation of the defendant, which inclined towards the practices of inquisitorial systems. Not surprisingly, therefore the British Government is supporting the company against the Commission, while the French Government supports the Commission in its endeavours to obtain disclosure of all relevant documents.

CCBE vigorously asserts that there exists a general principle of Community Law which assures the protection of privileged documents in administrative proceedings. Where verification of privilege is required, it should be performed by an independent and impartial body. The Commission's inspectors, whose duty it is to investigate an alleged breach of the prohibition on restrictive practices, are anything but independent and impartial. Hence the Commission's decision ordering disclosure violates the principle of Community law.

The difficulty about the CCBE and British approach is that the investigative process of the Commission in the field of restrictive practices is wholly dissimilar from an ordinary litigious dispute between, say, contracting commercial parties. The scales of justice are not at the outset even-handed; the governmental agency has a duty to investigate the activities of a single trader on behalf of the whole community. Second, the inquisitorial process, so redolent of the Continental systems of law, pays little heed to the claim of self-determination by the parties as to how they air their disputes before the courts. Once it is conceded that the investigative process of the State demands full disclosure, little fondness is likely to be shown for the notion of legal privilege.

Clearly a ruling in favour of the Commission will have profound implications for lawyers, particularly the Anglo-Saxon ones, accustomed to special protection from their own legal system. They will have to review urgently the manner in which the methods by which they communicate with their clients. Confidences will the less readily be reduced to writing in the future, for fear that they can be breached by the use of the sweeping administrative powers of the Commission.

Master Willie has few worries

RACING

BY DARE WIGAN

A WELCOME fillip to the reputation as a sire of that great racehorse, Brigadier Gerard, was provided on Saturday when his son, Light Cavalry, galloped on relentlessly in the closing stages of the St Leger to expose the limitations of the favourite, Water Mill.

The victory of Light Cavalry, owned by Mr. Jim Joel, trained by Henry Cecil and ridden by Joe Mercer, was immensely popular, for Mr. Joel is one of the best-liked and respected people in racing under both Jockey Club and National Hunt rules.

This afternoon at Goodwood, the same trio associated with the triumph of Light Cavalry are represented by Welsh Chanter in the Valdo Stakes (3.45).

Welsh Chanter, home-bred by Mr. Joel, by Welsh Pageant out of a mare by St. Paddy, is an attractive colt and a useful performer. But it is hard to visualise him troubling Master Willie, runner-up to Henbit in the Derby, and, more recently, conqueror of Cairn Rouge in the Benson and Hedges Gold Cup at York.

Val's Mill, who showed distinct signs of returning to form at Sandown the other day, can continue Michael Stoute's run of success in the West Dean Maiden Stakes (4.15), and Ferryman, a consistent gelding who has been a trifle unlucky on more than one occasion this season, will go close for the Solent Handicap (4.45).

But perhaps the best bet of the day is Great Auk in the Prestonpans Nursery Handicap (2.15) at Edinburgh. Bruce Hobbs trains this colt for Eva, Lady Rosebery, whose late husband won many races on this course.

It has been suggested that Great Auk may not be dedicated to racing. But judged on his last run when third to the easy Doncaster winner, Piperhill, when attempting to concede him 7 lbs, he appears to be leniently treated here with 8 st 12 lbs.

GOODWOOD
2.15—Recitation
3.15—Harp Strings
3.45—Master Willie
4.15—Val's Mill**
4.45—Ferryman*

WOLVERHAMPTON
2.00—Botanist
3.00—Sir Samuel

EDINBURGH
2.15—Great Auk***

TV/Radio

BBC 1

† Indicates Programme in black and white.

6.40-7.55 am Open University (Ultra high frequency only). 10.15-10.45 Music Time For Teachers. 12.45 pm News. 1.00 Pebble Mill at One. 1.45-2.00 Heads and Tails. 3.15 Songs of Praise. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 am). 4.20 Laurel and Hardy cartoon. 4.25 Puzzle Trail. 4.40 Lassie. 5.00 John Craven's Newsround. 5.10 Blue Peter. 5.35 Paddington.
5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 Angels.
7.20 Star Trek.
8.10 Panorama.
9.00 News.
9.25 Stone.
11.00 The Editors.
11.35 News Headlines.
11.37 Step This Way.

All Regions as BBC-1 except as follows:—

BBC Cymru/Wales—1.45-2.00 pm Tredwt. 5.55-6.20 Wales Today. 6.55-7.20 Heddiw. 12.05 am News and Weather for Wales.

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 12.05 am News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 12.05 am News and Weather for Northern Ireland.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.50 pm Open University.
6.55 Viking Variations.
7.05 Mid-evening News including sub-titles.
7.20 Living on the Land.
7.50 Wainwrights' Law.
8.15 Shirley Bassey in the first of six television spectaculars.
9.00 Rhoda.
9.25 Horizon.
10.15 Darts: Unipart World Team Matchplay.
10.45 Newsnight.
11.30 Darts (continued).

LONDON

9.30 am The Peruvian Paso. 10.00 Wild, Wild World of Animals. 10.25 Poetry of Landscape. 10.40 Young Ramsay. 11.30 The White Stone. 12.00 We'll Tell You a Story. 12.10 pm Rainbow. 12.30 Public Office. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Against The Wind. 2.30 Monday Matinee: "Safari," starring Victor Mature. 4.15 Kidnapped. 4.45 Clapperboard. 5.15 White Light.
5.45 News.
6.00 Thames News.
6.35 Crossroads.
7.00 Give Us A Clue.
7.30 Coronation Street.
8.00 Keep It In The Family.
8.30 Just Liz.
9.00 "Panic On Page One," starring Robert Vaughn and David Janssen.
10.00 News.
10.30 "Panic On Page One" (continued).
12.00 The New Avengers.
1.00 am Close: "Sit Up and Listen," with Lord George Brown.

ANGLIA

9.35 am The Story of Wine. 10.05 The Human Face of China. 10.30 The Beachcombers. 10.55 The Galway Way. †1.55 Cartoon Time. 1.20 pm Anglia News. 2.00 About Britain. 2.30 Monday Film Matinee: "Trottie True," starring Jean Kent. 5.15 The Brady Bunch. 6.00 About Anglia. 6.30 Survival. 12.00 A Big Country. 12.30 am Reflection.

ATV

9.35 am Call It Macaroni. 10.00 The Wild, Wild World of Animals. 10.20 Sesame Street. 11.20 The Entertainers. 11.45 Larry the Lamb in Toytown. 1.20 pm ATV News. 2.00 About Britain. 2.30 The Monday Matinee: "Blithe Spirit," starring Rex Harrison and Margaret Rutherford. 5.15 Mr. and Mrs. 6.00 ATV Today. 11.55 ATV News. 12.00 Something Different.

BORDER

9.30 am The Adventure World of Sir Edmund Hillary. 10.00 Show Jumping with Harvey Smith. 10.30 How the West Was Won. 1.20 pm Border News. 2.00 About Britain. 2.30 Monday Matinee: "House of Secrets," starring Michael Craig. 5.15 George Hamilton IV. 6.00 Lookaround Monday. 6.15 Mr. and Mrs. 6.45 The Sound of . . . 12.00 Barney Miller. 12.25 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 2.00 About Britain. 2.30 The Monday Matinee: "The Man From Colorado." 5.15 Happy Days. 6.00 Channel News. 6.10 Cities: Chicago. 10.28 Channel Late News. 12.00 News and Weather in French.

GRAMPIAN

9.25 am First Thing. 9.35 The Beachcombers. 10.00 Showjumping with Harvey Smith. 10.25 "Sunstruck" starring Harry Secombe. 1.20 pm North News. 2.00 About Britain. †2.30 Monday Matinee: "Street Corner," starring Peggy Cummins and Anne Crawford. 5.15 Mr. and Mrs. 6.00 North Tonight. 6.35 Out of Town. 12.00 Reflections. 12.05 am Police Surgeon. 12.30 North Headlines.

GRANADA

9.30 am The Lost Islands. 9.55 The Beatles. 10.15 Wildlife in Crisis. 10.35 The Beachcombers. 11.00 Sesame Street. 1.20 pm Granada Reports. 2.00 About Britain. †2.30 Monday Matinee: "Coastal Command." †3.55 London Can Take It. 5.15 Happy Days. 6.00 Granada Reports. 12.00 Superstar Profile.

HTV

10.00 am Beachcombers. 10.25 The Lost Islands. 10.50 Sesame Street. 11.50 Cartoontime. 1.20 pm HTV News. 2.00 About Britain. †2.30 The Monday Matinee: "Night and the City," starring Richard Widmark. 5.15 Mr. and Mrs. 6.00 Report West. 10.28 HTV News.

HTV Cymru/Wales—As HTV West/HTV General Service except 12.00-12.10 pm Trahatiau. 2.00-2.30 Hamdden. 4.45-5.15 Ser. 6.00 Y Dydd. 6.25-7.00 Report Wales.

SCOTTISH

9.30 am Friends of Man. 10.00 Showjumping with Harvey Smith. 10.25 How The West Was Won. 1.20 pm News and Road and Weather. 2.00 About Britain. 2.30 Monday Matinee: "The Games." 5.15 Mr. and Mrs. 6.00 Scotland Today. 6.40 Crime Desk. 12.00 Late Call. 12.05 am George Hamilton IV.

SOUTHERN

9.30 am Call It Macaroni. 9.55 Untamed World. 10.20 Battle for Cassino. 11.10 Little House on the Prairie. 1.20 pm Southern News. 2.00 Houseparty. 2.25 "Matt Helm," starring Tony Franciosa. 3.45 About Britain. 5.15 Different Strokes. 6.00 Day By Day including Southsport. 12.00 Superstar Profile.

TYNE TEES

9.20 am The Good Word followed by North East News. 9.30 The Masterbuilders. 10.00 The New Ed Allen Show. 10.20 Last of the Wild. 10.45 Space 1999. 11.35 Adventure Canada. 1.20 pm North East News and Lookaround. 2.00 About Britain. 2.30 Monday Matinee—"Father Dear Father," starring Patrick Cargill. 5.15 The Adventures of Black Beauty. 6.00 North East News. 6.02 Double Top. 6.25 Northern Life. 10.30 North East News. 12.00 Mr. Jakob's Gentlemen. 12.30 am Things Worth Having.

ULSTER

9.40 am Spiderman. 10.00 Show Jumping with Harvey Smith. 10.25 The Lost Islands. 10.55 Sesame Street. 11.55 Cartoon Time. 1.20 pm Lunchtime. 2.30 Monday Matinee: "House of Secrets," starring Michael Craig. 4.13 Ulster News. 5.15 Mr. and Mrs. 6.00 Good Evening Ulster. 10.29 Ulster Weather. 12.00 Bedtime.

WESTWARD

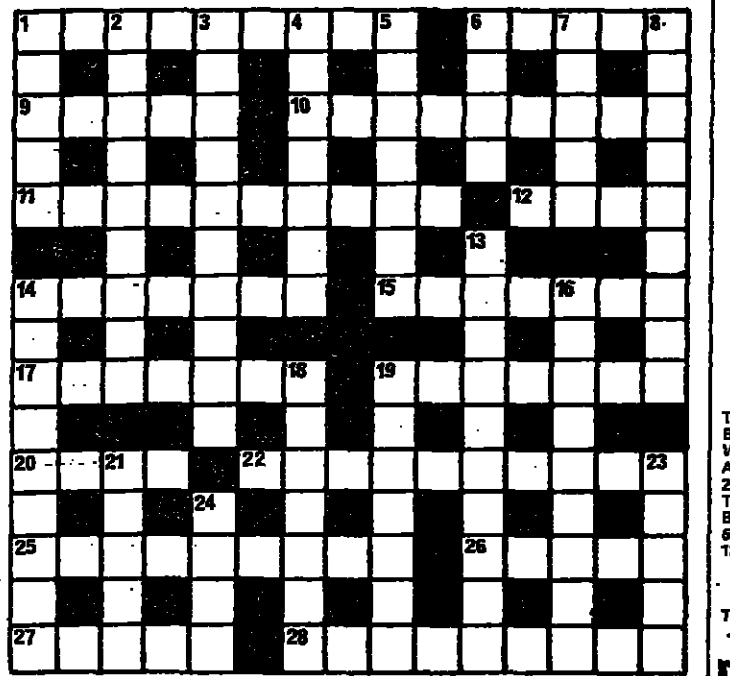
9.30 am Survival. 10.00 Show Jumping with Harvey Smith. 10.25 Feature Film: "Squeeze A Flower," starring Walter Chiari. 1.20 pm Westward News Headlines. 2.00 About Britain. 2.30 The Monday Matinee: "The Man From Colorado," starring Glenn Ford. 4.12 Gus Honeybun's Birthdays. 5.15 Happy Days. 6.00 Westward Diary. 10.31 Westward Late News. 12.00 Faith For Life. 12.05 am West Country Weather and Shipping Forecast.

YORKSHIRE

9.30 am Marc Chagall. 10.00 Wild, Wild World of Animals. 10.25 Journey to the Centre of the Earth. 11.10 Young Ramsey. 1.20 pm Calendar News. 2.00 About Britain. 2.30 Monday Matinee: "House of Secrets." 5.15 Mr. and Mrs. 6.00 Calendar (Emley Moor and Belmont editions). 6.30 Calendar Calling. 12.00 The Jazz Series. George Chisholm and his Gentlemen of Jazz with singer Carol Kidd.

(S) Stereophonic broadcast

F.T. CROSSWORD PUZZLE No. 4.374



ACROSS

1 Reserved as a racehorse may be (9)
6 Grasp shellfish with top of pole (5)
9 Cook in right oven (5)
10 Long delayed bouquet becoming dormant (9)
11 Put on vital job but it's drudgery (6-4)
12 Extremely filthy place initially exhibited as an eyesore (4)
14 Stopped and played for time (7)
15 Union connection (7)
17 More sharply defined washer (7)
19 Pitched unusually on rides (7)
20 Search thoroughly for company doctor (4)
22 Joint of beef from plate put in front of team (10)
25 The right time for musicians and the place for policemen (2, 3, 4)
26 Gloomy doctor with an organ (5)
27 Possessive female takes on bird (5)
28 Anguish I left in plant (9)

DOWN

1 Rumour about learner making a large quantity (5)
2 Meals on wheels and the price of getting there? (5, 4)
3 Spotted a short letter whereon to sign (6, 4)
4 Conceded everything due (7)
5 Idiot without affectation (7)
6 Reckon it could be a couple of hawks (4)
7 Spy a would-be man of refined manners (5)
8 Gabbled about pole fashioned after a model (9)
13 Feline resting-place made of string (4-6)
14 Dismiss clergy in mourning dress (9)
16 Emotion launched people in it (9)
18 Clothing from soldiers I met round the north (7)
19 One who clinches note in stream (7)
21 Transport for Doctor Hill? (5)
23 Record part of spoken role (5)
24 Have an inclination that's unproductive (4)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz, 206m & 94.9vhf
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92-95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
				London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

5.00 am As Radio 2. 7.00 Dave Lee Travis. 9.32 Simon Bates. 10.32 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.32 Simon Bates. 3.32 Peter Powell. 6.31 Stayin' Alive. 7.31 Mike Read. 10.02-12.00 John Peel (S).

RADIO 2

5.00 am News Summary. 5.03 Steve Jones (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music with Jean Challis (S). 6.03 John Dunn (S). 8.02 Folk on 2 (S). 9.02 Humphrey Lyttelton with the Best of Jazz on record (S). 9.55 Sports Desk. 10.02 Free Spin. 10.30 Star Sound. 11.02 Peter Clayton with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

†6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composers: The Stamitz Family (S). 9.55 Peter Frankl Piano Recital, part 1 (S). 10.40 Interval Reading. 10.45 Recital, part 2. 11.45 Schubert recital (S). 12.20 pm Northern Sinfonia Orchestra Concert, part 1 (S). 1.00 News. 1.05 Concert, part 2 (S). 1.50 Matinee Musicale (S). 2.50 De Volharding (S) Dutch jazz/avant-garde "classical" ensemble. 3.40 New Records (S). 4.55 News. 5.00 Mainly for Pleasure (S) († and mono only from 6.20). 7.00 Music for Men's Voices (S). 7.30 BBC Northern Symphony Orchestra (S). 8.40 The Pukey (story by Nigel Dennis). 9.00 The Complete Webern (S). 9.15 Promenades. 9.55 Nikos Skalkottas piano recital (S). 10.30 Tony Williams Lifetime introduced by Charles Fox (S). 11.00 News. 11.05-11.15 Bach (S).

VHF ONLY—Open University 6.00-7.00 am and 6.20-7.00 pm; and for students in Radio Scotland and Radio Cymru areas only: 12.00-1.00 am.

RADIO 4

6.00 am News Briefing. 6.10 Farming Week. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News Headlines, 7.45 Thought for the Day, 8.35 The Week on 4. 8.45 "The Wheels of Chance," by H. G. Wells. 9.00 News. 9.05 Start The Week with Melvin Bragg. 9.55 The Samaritans. 10.00 News. 10.02 From Our Own Correspondent. 10.30 Daily Service (S). 10.45 Story Time. 11.00 News. 11.05 A Portrait of Richard Hillary, Battle of Britain Pilot. 11.50 Poetry Please! 12.00 News. 12.02 pm You and Yours. 12.27 It Makes Me Laugh. 12.55 Weather; programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre. 4.45 Short Story. 5.00 PM. News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Rumpole (S). 7.00 News. 7.05 The Archers. 7.20 Science Now. 7.45 The Monday Play. 9.00 Origins Special: The Mary Rose (rescue of the warship sunk off Portsmouth Harbour in 1545). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Summer of the Firebird. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Music At Night. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Music on the Move. 7.03 Black Londoners. 8.00-5.00 am Join Radio 2.

London Broadcasting

5.00 am Douglas Moffit and Douglas Cameron. 10.00 Brian Hayes with guests Alan Pascoe and Geoff Boycott. 12.00 LBC Reports. 8.00 pm After Eight Special. 9.00 Mike Dickin—Nightline. 1.00 am Night Extra. 3.30 LBC Cinema. 4.00 After Eight Sunday (repeat). 5.00 Morning Music.

Capital Radio

6.00 am Mike Smith's Breakfast Show (S). 9.00 Mike Allen (S). 12.00 Graham Dene (S). 1.00 pm London Today (S). 1.10 Graham Dene (continued). 3.00 Roger Scott (S). 7.00 London Tonight with Sarah Ward (S). 9.00 Peter Young (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

THE ARTS

Covent Garden

Die Walküre

by ANDREW CLEMENTS

After a *Rheingold* the previous evening that, despite some inspiring moments failed consistently to catch fire, Friday's *Die Walküre* was a substantial improvement, vocally and dramatically. The mainstream of this resurgence was Colin Davis's conducting. From the prelude to the first act onwards it was clear that massiveness was to be eschewed; the fleetness that replaced it was most naturally appropriate to the lyrical set pieces, allowing a continuity of line that had been absent in the more piecemeal conversations of *Rheingold*.

This increased assurance was swiftly conveyed to the singers, most notably to Yvonne Minton, whose Fricka in the earlier opera had been reticent and two-dimensional, but who now in the second act of *Walküre* developed it into a formidable assumption. Every word of her diatribe was stingingly clear; her final, clinching warning to Wotan was launched on the purest of cantilenas. Donald McIntyre began on Friday in the fine voice in which he had finished the night before. The tone is undeniably firm and the stage presence both commanding and forbidding in equal quantities, but nobility is lacking. A Wotan who leads by force rather than by example, the Farewell sounds strangely hollow from his lips.

Of the first-act singers, only Peter Hoffmann's consistent if unimaginative Siegmund is already familiar from this production. Fritz Hübner promises soon to deliver a truly baleful Hunding. The tone is dark enough, but at present the characterisation lacks conviction and teeters uncertainly at several crucial points. Jeannine Altmeyer (Sieglinde) had an uncomfortable first act, disturbed perhaps by some nervously uncertain moments early on. A chance to make amends at "Du bist der Lenz" was passed over (though the orchestral support here had been finely judged) but in the second act she seized upon "O hehrstes Wunder" most memorably, revealing a full rich voice previously kept under wraps.

Though not yet in the freest voice, Birit Lindholm's compassionate Brünnhilde fits nicely into this production, re-rehearsed by Mr. Friedrich. It is well polished elsewhere, but the Valkyries chorus-line routine at the opening of Act 3 *needs tighter drilling—if such* things must be done (it seems to me a miscalculation in this context) they should be done with panache. The opening of the opera remains the best justification of the indulgence of that tilting, revolving stage. When the platform begins to turn and tip as the storm gathers momentum it creates a formidable image of stark power in turmoil. For all the theatrical coups and close observation of the world in *Rheingold*, Götz Friedrich (at least in this revival) handles the limited individual conflicts of *Walküre* with more certainty.

Venice Film Festival

Back to the big time

by NIGEL ANDREWS

Breeze-blown bunting and bright posters bedecked the Palazzo del Cinema on the Lido this year, as the Venice Film Festival continued the climb back to its old grandiose self, begun last year after almost a *decade in the doldrums*.

Financial and administrative troubles set in in 1971, and this writer's last visit was in 1975, when the rain poured down on *what seemed more like a frugal* Marxist symposium than a film *festival*. This year the big-name directors are back—Antonioni, Cassavetes, Fassbinder, Zanussi—and so are the sun and a sense of occasion.

The Golden Lion for Best Film was shared between two movies from the North American continent: Cassavetes's *Gloria* from the States and Louis Malle's Canadian-produced *Atlantic City*.

The Cassavetes is a far better film and deserved the solo award. America's most punchy and unpredictable film-maker has come up with a marvellous many-layered thriller, starring Gena Rowlands as a gutsy gangster-ess fleeing through New York with a Puerto Rican boy whom the Mafia want to eliminate and she wants to protect. In between the set-piece chase scenes and mid-street shoot-outs, Cassavetes develops their tartly funny relationship like a mixed-sex Kramer vs. Kramer and steers the film towards a moving denouncement that echoes long in the mind.

Malle's film is also a picaresque mood thriller, but the mood is mostly wet whimsy and the picaresqueness *confined to endless* trollings by the main characters—Burt Lancaster as a white-haired con-man accidentally inheriting a cache of heroin, Susan Sarandon as his waitress *inamorata*—up and down Atlantic City's famous boardwalk. Malle seemed disoriented by his American settings in his last film *Pretty Baby*. Here he is completely at sea, uncertain whether to play up the creakily engineered tension—will Lancaster keep the heroin? Will Susan Sarandon survey him—or to wash the whole story in a *degagé seaside painterliness*, like a Boudin of the boardwalk.

While these movies sliced the Best Film award in two, a third prize went to Theo Angelopoulos's *O Megalexandros!* for Best Experimental Film. This Greek director *specialises* in making pictures that seem slightly shorter than the Peloponnesian War. *The Travelling Players*, you recall, was around four hours. His latest work is a windy allegory about colonialism and oppression, embroidering on the true story of the kidnapping by bandits of a group of upper-crust Englishmen in Greece in 1870. The landscapes and vistas glimpsed during the film's 230-minute journey are fabulous—rugged hills, sweeping coastlines, stony villages under weeping skies—but one never knows quite where the journey is supposed to be leading.

The best film at the festival was shown out of competition. Antonioni's *The Oberwald Mystery is a little miracle of a* movie, shot on TV videotape of all things and blown up to 35-millimetre for big-screen showings. If anyone could turn the base metal of video to gold, Antonioni is he and he does just that. The story, adapted from a Cocteau play *L'Aigle à Deux Têtes*, gives us Monica Vitti as a widowed Queen, holed up in a castle, circa 1900, who falls in love with a young fugitive rebel.

It's talk, talk, talk, like a TV play, but visually Antonioni wraps the cataracts of dialogue in an incredible coat-of-many-colours. The screen is in a constant supple flux of expressiveness—flushing and fading with different hues as if Titian had been let loose on the colour knob—and the shimmery TV textures match the play's mystic undertow of *doppelgänger* romanticism: (the young rebel is a twin in looks to the murdered king). A superb, surprising and wonderfully satisfying film.

From the four corners of the world came a supporting quartet of movies, all festival-worthy if more fitful in their impact. Shohei Imamura's *Vengeance Is Mine* is *Crime and Punishment* Japanese-style: a flashback-studded murder enquiry piecing together the personality of a multiple killer. Brilliance battles with B-movie banality, but the sleight-of-eye ending is magnificent and so is much of what goes before.

Europe gave us Werner Schroeter's *La Repetition Generale* and Krzysztof Zanussi's *Contract*. The first is an endearingly crackpot effort from Germany's master-chronicler of the bizarre: a ragbag of footage shot at the Nancy *Festival of the Arts*, where Heaven knows, anything goes, and a glimpse of sanity is looked on as something shocking. Into the tearaway transvestism and potty pantomime and chunks of Grand Opera, on-screen Schroeter weaves his own reflections on the rebel power of Art and comes up with a dotty but de-luxe delight.

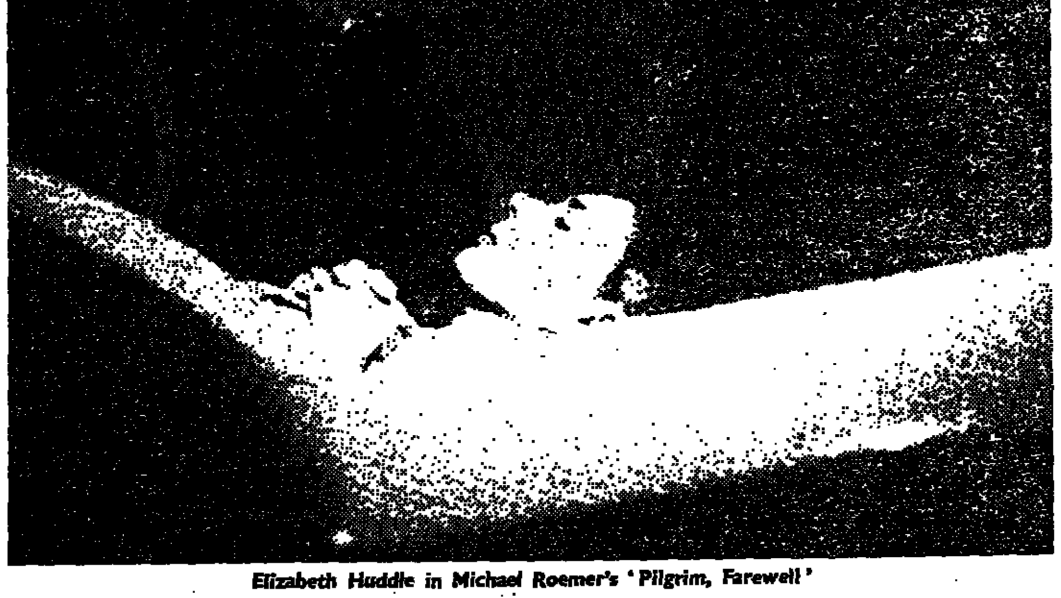
Zanussi, meanwhile, is hoeing for parables in coldest Poland and using that old stand-by, the poised for-social-breakdown bourgeois party, for his symbol. Leslie Caron joins the standard Zanussi repertory company, as a rich and dizzy kleptomaniac, but her sparky performance and a few high-voltage social insights don't quite electrify a sluggishly conceived film.

Michael Roemer's *Pilgrim, Farewell*, by contrast, is a little mega-watt masterwork from America: the home life of a burly, assertive housewife (Elizabeth Huddle) dying of cancer and the reactions of her not-too-stoically suffering family. "Something too much of this!" you may cry, as crises keep raining down like monsoons—daughter is mentally disturbed, sister seems to be lusting after husband—but the film has a rinsing, stinging realism that keeps wiping the scepticism from your face.

No shortage, in short, of fine films at Venice this year; and for lovers of the long haul there was a marathon Mizoguchi retrospective and a screening of Fassbinder's new 14-part TV serial about Germany in the 1920s, *Berlin Alexander-platz*. (I saw a couple of episodes and thought them flatulent and awful, but many came, saw, were conquered and stayed.)

What Venice doesn't yet boast is the international streamlining a big festival needs. The translation facilities are patchy-to-poor, and there is so little organised rapport between hosts and visitors that arriving in Venice is a bit like turning up at one of those mystery Agatha Christie mansions where Mine Host is a voice on a tape-recorder asking you to help yourself to the spiked sherry.

Next year, the organisers should add some grander social gestures to the fine choice of films. Then, perhaps, full glory will be restored to what was after all—way back when Il Duce inaugurated it in the 1930s—the world's first ever film festival.



Elizabeth Huddle in Michael Roemer's 'Pilgrim, Farewell'

Wigmore Hall

Lindsay Quartet

by RICHARD JOSEPH

On Saturday evening the Lindsay String Quartet finished their latest Wigmore Hall series, which featured the Quartets of Michael Tippett. The composer's fourth essay in this genre, which the Lindsays premièred at the Bath Festival last year, was the centrepiece of a programme that included works by Haydn and Dvorak.

It's a striving, deliberately "late period" work, which attempts, within a single long arch, to crystallise a great range of (often contradictory) experience. Tippett's nothing if not brave. Yet there is a crucial lack of self-referential unity, an unwillingness of the music to work within its own defined terms, that is emphasised by the composer's citation of Beethoven's *Grosse Fugue*. Still, it is a strongly conceived piece, and it engaged the audience's as well as the Quartet's enthusiasm.

Enthusiasm is very much the cornerstone of all the Lindsays *performances at the moment*. Both in Haydn's G Minor Quartet Op. 20 No. 3 and in Dvorak's "American" they attempted a stronger, more intense style of playing than the music, or their techniques could bear. This obviously springs from their enthusiasm for the music, but, rather like the Julliard Quartet in the 1960s, this relentless enthusiasm has toxic side effects. The first violin/cello axis, on which the secure intonation and rhythm of any quartet rests, is out of kilter. Except for the quietest passages, vibrato is too evenly and indiscriminately employed, without regard for the individual colour or importance of *a note within a melodic phrase*. The foreground/background relationships within even the simplest *tuttis* are ignored, so that the medium is presented perspectiveless, which it surely is not.

The Lindsays have been together since 1966, and have many distinguished accomplishments to their credit; it might well be that they are deliberately fighting a kind of collective middle-age spread. But the results are effortful and exhausting for the players, for no clearly defined expressive end. One hopes their collective experience and intelligence will soon sort matters out.

Arts Council dance awards

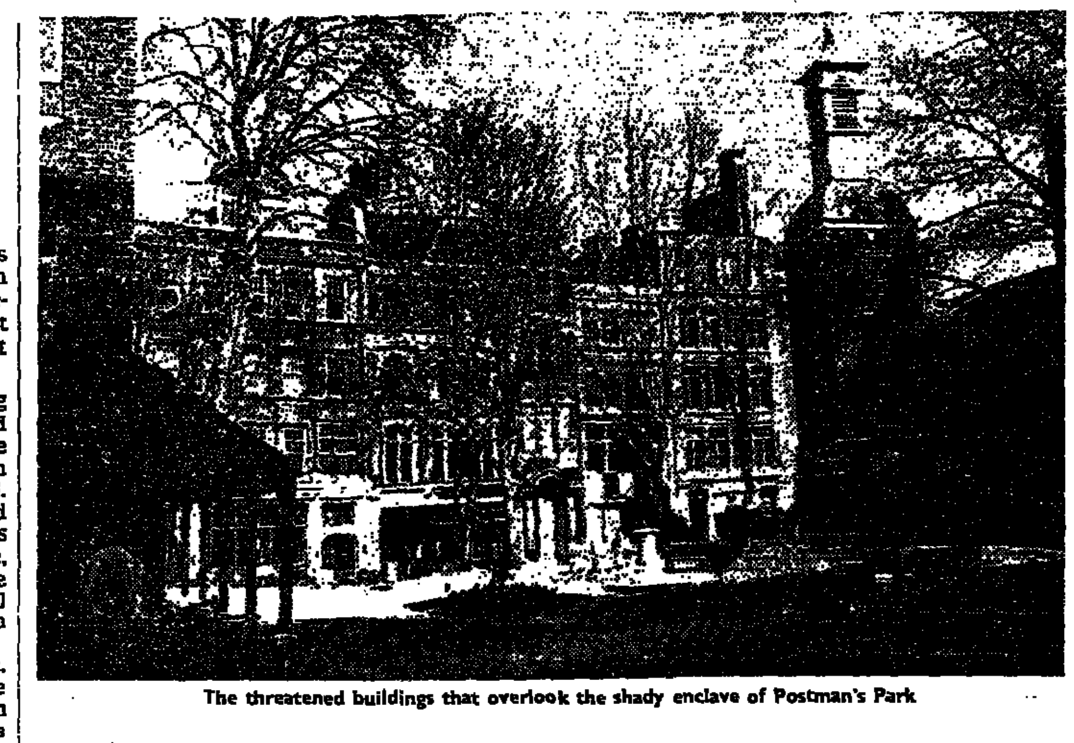
Under its scheme to assist creative talent in dance, the Arts Council has approved dance awards to choreographers, composers and a designer for works commissioned by professional *dance companies*.

Charles Barber of Penylan, Cardiff, receives an award for a score for a ballet by Tamara McLorg, commissioned by EMMA Dance Company of Loughborough.

An award has been made to Jacky Lansley for the choreography of *An Alternative Giselle*, a work commissioned by X6 Dance Space of London SE1. Stephen Montague, who was born in America and has been resident in England since the mid-1970s, receives a composer's commission fee for a score for *An Alternative Giselle*.

Robb Fleming, a Canadian dancer who lives in London N6, receives an award for the choreography of a work commissioned by Extemporary Dance Company to be premiered on the Edinburgh Festival *fringe during the company's* fifth anniversary season.

Neil Murray, who lives in Morpeth, Northumberland, receives two awards, a choreographic commission and a design fee. He has been commissioned by Tamara McLorg to choreograph a work for her new solo programme, and by EMMA Dance Company for the design of a work choreographed by Miss McLorg.



The threatened buildings that overlook the shady enclave of Postman's Park

Architecture

How to kill the City

by COLIN AMERY

On Thursday the Court of Common Council meets to consider proposals from a subsidiary of Wimpey Property Holdings to destroy one of the last areas of small scale buildings, courts and pedestrian alleys in the City. The area is Little Britain lying just to the north of St. Paul's by Postman's Park.

If you take a walk around the area today you certainly have to look at the buildings with the eye of an optimist. This is because this historic area, which survived the Blitz and has a street pattern that dates from before the Great Fire, has fallen victim to planning blight. The blight has been caused by the City Corporation's 33-year-old road proposals.

In 1947 the City planned a dual carriageway road to run from Holborn through to Liverpool Street to allow traffic to flow swiftly around the edge of the City. London Wall was built but firm plans to extend "Route 11" through Little Britain to St. Paul's were put forward only 10 years ago when the City acquired some of the property it needed for the road by compulsory purchase. Much of the rest of the area was bought by the developer who is now offering to build the road for nothing in exchange for permission to build a large office block. This kind of manoeuvre is euphemistically known as "planning gain."

Little Britain is keen to defend itself. A Trust has been set up to produce a constructive alternative to the developer's proposals. Architects Beeban Morris and Anne Swain have prepared proposals that concentrate on the rehabilitation of as many of the existing buildings as possible, provide a low rise block of staff flats for St. Bartholomew's Hospital (who also own part of the site) and a 100,000 sq ft office building with shops on the ground floor.

The buildings of the area are well worth preserving. At No. 22 Little Britain is a late Georgian shopfront, now boarded up and fragile but worth restoration. No. 12 is an interesting mid-19th century warehouse, an early and important example of cast iron construction. The former White Horse pub is an exuberant example of an 1890s drinking saloon. In fact the whole group of buildings facing on to Postman's Park is exactly the sort of street that we take for granted but simply couldn't build today.

Through an archway behind Little Britain is another important building, No. 22 Albion Buildings, an 1855 "model" dwelling for artisans—the only remaining example of its kind in the City.

Some of these buildings are listed but pressure from the Greater London Council to turn the area into a Conservation Area have been resisted by the City. It is astonishing that in the present climate, where the public are enthusiastic for conservation and urban history, the elected members of the City Corporation should be prepared to destroy what remains of the City's ordinary, agreeable human-scaled neighbourhoods.

The area in question is part of the City that has just been subject to an inquiry by a Ministry Inspector from the Department of the Environment. Although the inspector declined to consider the principle of building a new road through Little Britain, his view was that any proposals should aim to preserve as many buildings as possible. If the City go ahead with the Wimpey proposal they will be acting against the inspector's recommendations as well as ignoring the public climate and the proposals of the Little Britain residents and traders.

The Court of Common Council has a clear duty to examine as many ways as possible to preserve the small businesses and the character of the area.

Wigmore Hall

Alexander Baillie

by DOMINIC GILL

In ensemble, Alexander Baillie is best known as the cellist of the Fires of London; alone, he is also a young soloist of unusual distinction. His recital yesterday afternoon was his second at the Wigmore Hall, and it demonstrated again his powerful grip, and easy eloquence, over the whole range of the instrument.

He began with Bach's D major sonata (authentically for gamba and harpsichord) — delivered in full, rich-burnished cello tones, with minimal vibrato. There were a few lapses into late-romantic shake (chiefly, and unexpectedly, in the fast movements); but in the two slow movements his *grave*, expressive *non vibrato* timbre was a delight wherever it occurred. His piano accompanist, and tactful, responsive partner, was Julian Dawson-Lyell (whose left hand seemed a little over-dominant only in the Bach finale, a fault not so much the player's as the piano's own, with its unavoidable clash of resonance in the tenor register).

The ensemble was very secure in Brahms's E minor sonata—though not yet perhaps fully matured: Baillie and Dawson-Lyell haven't yet fully worked out, for example, the exact relationship and combination of unison and answering voices in the minuet's extraordinary trio. But it was an elegant and well-tuned account (even if Baillie didn't quite catch the opening movement's first top B flat either time it appeared—so exciting bit dead centre!); and the finale was strong, driven with powerful impetus.

To introduce his second half, Baillie took up a little *Elégie* for cello and piano written by Milhaud in 1945 (and recently republished by Boosey), in which he found much honest warmth and delicate charm. Britten's second Suite op. 80 was his only purely solo performance: a decent, well-rounded account that (even without the wild fancy or the surging excitement of a Rostropovich) made its points with conviction—the dark ruminations especially of the *andante lento* were beautifully contained. Baillie ended, in lighter, brighter vein, with a sonata by Giuseppe Valentini souped up after a century and a half by one Alfred Piatti (otherwise the great 19th-century Italian cellist Alfredo Piatti)—to which respective tasks both cellists, old and new, bad warmed with evident relish.

Contemporary Music Network 1980-81

From 70 works to be performed in the 118 concerts on the 1980-81 Arts Council Contemporary Music Network, six pieces will be receiving first *performances*. Nigel Osborne's *Gnostic Passion*, Tim Souster's *Mareas* and Rolf Gehlhaar's *Worldline* are all commissioned with funds provided by the Arts Council; new works by Louis Andriessen, Christian Wolff and Frederic Rzewski will also be heard.

For the first time all 12 groups will perform in London at the Round House in a major subscription series. Ten of these performances will be the opening concerts of the tours which will visit 31 towns and cities throughout England and Wales.

Goldsmiths' College, University of London, has organised pre-concert talks and discussions for the Round House series.

W. H. Smith's 1980 Competition winners

A nine-year-old boy from Fosfon Village Primary School in Yorkshire (which has 25 pupils) and a 16-year-old from Harrow School (740 pupils) are *among the prize-winners in the* 1980 W. H. Smith Children's Literary competition.

Prizes have gone to 63 young writers and 30 schools, chosen from 29,000 entrants in the competition's 22nd year. Some of the schools have won in previous years — sometimes often.

The winning schools each get £50 for submitting work of the most consistent merit.

FOOTBALL BY TREVOR BAILEY

England warm up for World Cup

AFTER LAST summer's setbacks when they failed to win the home championship and to reach the final stages of the European Championship, England began their attempt to qualify for the 1982 World Cup with a 4-0 victory over Norway last Wednesday.

This was a satisfactory start, and it must be admitted that Ron Greenwood's side were flattered by the scoreline. However, they should manage to qualify in what is one of the weaker groups.

Apart from when we qualified as hosts in 1966 and holders in 1970, it is 20 years since we last fought our way into the final stages.

Against Norway, England used what might be termed a fluid 4-3-3, with Mariner, Woodcock and newcomer, Gates, forming a mobile, ever-changing *spearhead*. Both full backs frequently made attacking runs down either flank and the midfielders came up to support front runners. Although this formation produced goals and an impressive win against Norway, who were surprisingly adventurous, it was hard to envisage either team making much impression on any of the best dozen international elevens.

Ron's problem is he has too many competent players and not enough great ones, too many well-drilled, sometimes over-drilled sides, and too much football. If the World Cup went to the country with the most effective 100 teams, England would surely start firm favourites.

On Saturday Ipswich, currently top of the First Division and certainly among the strongest, most cultured and entertaining clubs in the land, deservedly beat by two goals to one Crystal Palace, who are at the bottom, but clearly possess the talent to do better.

Like England, Ipswich also employed a basic 4-3-3, except that their two elegant Dutchmen, Thijssen and Muhren, tend to play very wide in midfield and provide additional width to the many attacks they initiate. Brazil, though not at his best on this occasion, blends more with Mariner and Gates than their England colleague, Woodcock, because of his preference for the left side.

A football follower, who did not know either team, or the players, would have had difficulty picking out Mariner and Gates as international class league forwards who will be expected to score and provide goals against the finest sides in the world, although Osman looked a natural successor to Watson. It was not that either striker played badly. In fact, Mariner led his line with considerable skill and laid on the final goal which was beautifully converted by Gates. But neither stood out in the way a true international normally does, especially as their own side dictated the play throughout the second half and opposition was limited.

Paul Mariner possesses many of the attributes of an old-style centre forward and is the type of player most managers seek. He is tall and strongly built, so that even if he fails to win the ball in the air, the defender's clearance is pressurised and frequently picked up by one of the Ipswich halves. He has the power and the ability to shield with his back to opponent's goal, finishes well and falls dramatically, which probably earned him a penalty against Norway and cost him one against Palace. He takes up some splendid positions and dribbles and turns very adroitly.

He is, unquestionably, one of the most effective strikers in the First Division, although not quite as mobile and persistent as Stapleton and he lacks the ingenuity and subtlety of Dalglish. Whether he will prove equally effective at the highest level is not certain. He is now at the peak of his career when he must try to dispel suspicion about his tendency to disappear in a game and to being too predictable.

Eric Gates is in a different category. He is a most promising, small, nippy, hard-working natural poacher, who is fortunate to be playing for such a well balanced club as Ipswich and to be able to feed off the efforts created by the bustling Brazil and the forceful Mariner.

Although he scored a fine goal at Selhurst Park, his ball control was rather disappointing and starting a game with his socks rolled down and no shinguards is surely an invitation to injury. At the moment he looks a fine prospect, though not quite ready for world class football. But that is what they said about Geoff Hurst a few weeks before we won the World Cup.

TENNIS BY JOHN BARRETT

Bournemouth bounces back to form

TWO EVENTS took place yesterday—one a $50,000 mens' Grand Prix tournament on the south coast, the other a national junior event in London—that are significant to the future health of British tennis.

In the finals of the Kosset British Hard Court Championships, at Bournemouth, the speedy Spaniard Angel Gimenez won his second Grand Prix title of the year by beating Shlomo Glickstein of Israel 3—6, 6—3, 6—3.

At BP's magnificent facility in Sydenham; the 12 finals of the BP Shield National Junior Tournament were decided in three age groups (under 18, under 16 and under 14) and in two divisions—those players who had competed at national championship level when the entries closed last March, and those who had not.

The revival of Bournemouth, which used to be second to Wimbledon in importance, comes as a welcome expression of faith after the two blank years of 1977 and 1979.

But the autumn dates, which creates inevitable difficulties of weather, standard of entry and public attendance, has finally proved unsuitable.

Not one of the top ten men in the world was among the entries and even at yesterday's finals the stands were only half full. Throughout the week attendances have been poor. A return to the traditional end of April date, when at least some of the world's best players are in Europe, would seem a sensible move.

A greater promotional effort also will have to be made if the discerning spectators in Bournemouth, many of them elderly, can be lured back.

However the tournament was a qualified success for the sponsors, Kosset Carpets.

"Of course we were disappointed at the quality of entry and the attendance," admitted marketing director, David Davies. "But we had fine support from the press and radio and next year I understand we can expect television coverage. That, frankly, will be essential to our commitment for 1981 and will make this year's pioneering effort worthwhile."

The Halifax based carpet company is part of Carpets International which have just announced a hefty loss.

Although a sister company, Crossley Carpets, have for the last two years supported the Chichester tournament, this is the first involvement in tennis for Kosset and it is interesting to analyse their decision.

At first, it might seem slightly frivolous to spend approximately £65,000 on tennis at a time when the company is closing a factory in Brighouse and suffering severe competition, especially from the U.S.

But closure was part of a long planned rationalisation and Mr. Davies believes that the 20 per cent of his annual advertising and promotion budget he is spending at Bournemouth represents a good investment — provided that television can be guaranteed next year.

The popularity of the entertaining marquees at Wimbledon bears testimony to the truth of Mr. Davies' remarks. Tennis, with its bright summer image and its week-long meetings, is well placed to exploit the increasing interest of industry and commerce in leisure pursuits.

But Mr. Davies sounded a warning. "Tennis is an expensive sport to support and today there are many alternatives."

The season-long BP Shield tournament attracts between 500 and 600 entries from the members of the BP International Tennis Fellowship, all of whom must have won a tournament to become members.

The experiment this year to divide the tournament into two sections has proved successful, as it gives the players with less opportunity in the outlying regions a chance to perform before keen LTA's and the Press.

Two such players were Andrea Kovar who won a marathon under 16 final in the B section by beating Joan Caplen of Hampshire 6—3, 4—6, 12—10 and Hugo Furbini of Surrey who looked athletic and able in beating Ian Watson of Warwickshire 6—3, 6—1.

Among the better known names, Stephen Shaw of Middlesex completed a 6—1 6—2 win against Nick Fulwood of Derbyshire, and Sally Reeves of Kent gained consolation for her loss earlier in the day to Lisa Pennington in the final of the under-21 event at Bournemouth by beating Catherine Berry of Yorkshire 6—0 6—0.

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Monday September 15 1980

Trading oil for gold

THE PRICE of gold is now 40 per cent above its summer plateau and after a week of hectic trading it is once again approaching the $700 level. Prices which seemed to depend on irrational speculative frenzy following the Russian invasion of Afghanistan have proved surprisingly sustainable.

The continuing pressure on the gold price despite the onset of a severe world recession and the recent strengthening of the dollar against other currencies, suggests that investors are still by no means convinced of the determination or the ability of the world's economic authorities to suppress inflation and maintain order in the international monetary system.

It is because of its significance as a vote of no confidence in the state of world monetary relations that the renewed upsurge in the gold price should cause some concern for politicians and central bankers.

Even if last week's buying of gold and other precious metals—silver has risen by 22 per cent in two weeks—proves to be no more than a temporary phenomenon, associated with anticipation of the OPEC meeting that begins today in Vienna, it provides further confirmation that there has been genuine investment demand for gold even at current price levels.

The strength of this demand, particularly from the surplus-generating OPEC countries, is a reflection of the growing doubts about the ability of the world's monetary institutions to intermediate immense payments imbalances without either generating inflation or stifling real economic activity.

Oil surplus

From the point of view of OPEC countries seeking to invest their oil surpluses in assets that will maintain their real value, recession is a phenomenon almost as worrying as inflation.

The ability of industrial and commercial companies to generate adequate profits in the longer term is still clouded by doubts about the possibility of a solidly-based recovery in world trade and output. Any such recovery in turn depends partly on how the OPEC countries invest their surpluses and on the robustness of the international monetary system.

The popularity of gold as an investment for oil producers has in some way helped to underpin this system. On the one hand it has produced an enormous increase in the hypothetical market value of the industrialised countries' reserves. On the other it has provided the industrialised countries with a potentially valuable trading asset.

Valued at $500 an ounce the monetary gold holdings of the 11 major industrialised countries are worth about $370bn—equivalent to OPEC's oil exports for about two years.

Reserve asset

With oil producers short of gold and anxious to diversify out of dollar assets, gold-for-oil trade could make a contribution to easing the balance-of-payments adjustments of large gold holders such as the U.S., Germany or France. This in turn could relieve some of the pressure on the non-oil developing countries which, on present trends, look like being forced to bear the brunt of the oil consuming world's deficit during the coming years.

Anything that reduced the problem of financing excessive deficits for the developing countries would make a useful contribution to the stability of the world monetary system and to the improvement of economic and political confidence.

At the same time there is some danger in the revival of the status of gold as a reserve asset, which has occurred this year as extremely high gold prices have proved to be sustainable. The use of gold at high market values as collateral for paper currency can have an inflationary effect if it is not properly regulated.

More generally an excessively prominent role for gold in international payments can build either rigidity or instability into the world economy, depending on how authorities react to demand fluctuations.

There is no point in reviving the old debate about whether gold should be remonetised or ignored as a relic of economic barbarism. But when they meet at the IMF conference next month, the world's central bankers might consider how they could best take advantage of the demand for gold to help steer the world monetary system through a period of difficult economic adjustment.

Turkey: a case to be proved

THE ARMY has been the mainstay of the Turkish state ever since Kemal Ataturk swept away the remnants of the Ottoman Empire after the First World War. His success as a soldier in the wars of independence provided the base from which he transformed a moribund autocracy with theocratic tinges into the semblance of a modern, European-oriented state.

In 1960 and 1971 the generals seized power from the politicians in defence of Kemalist principles as they had evolved. When they did so again on Friday, they may have seen little alternative: extremist violence from Left and Right had already led to the proclamation of martial law in areas inhabited by about half the population; and the country's finances are in desperate straits. But the Western world will ask whether the soldiers can create an atmosphere in which the country may once again be constitutionally governed.

Nato

Western interest in a stable and democratic Turkey is self-evident. The country owes western institutions and banks $16bn, and needs more. It occupies a crucial position in Nato. Only from Turkish soil can the Americans keep a regular watch on Soviet missile launches.

After the two previous coups the Turkish generals did indeed return power to the politicians. In 1960 it took only a few months after the overthrow of Mr. Adnan Menderes, whose regime had become increasingly corrupt and repressive. The generals struck again in 1971 when political violence, then largely from the Left, began to spread. The ousted premier, then as now, was Mr. Suleyman Demirel.

One reason for the coup in 1971 was the high command's wish to forestall a possible coup by junior officers who thought that the Soviet way might be right for a Turkey struggling towards industrialisation. On that occasion the army kept the politicians under tutelage until 1973, and its period of control was marred by many allegations of the torture of political prisoners.

The special characteristics of the third coup have yet to emerge. But the generals have certainly taken on a difficult task. The economy is in tatters, with what industry there is short of liquidity and of orders.

The IMF estimates that Turkey will need to borrow $4.4bn this year and $4.7bn in 1981. In this context the initial news from Ankara is encouraging. The generals appear to be willing to leave economic policy to Mr. Turgut Orzal, Mr. Demirel's economic adviser. Mr. Orzal negotiated a stand-by credit with the IMF in June and has a good name in western financial circles.

Equally it is encouraging that the new regime appears to have borne down on the National Action Party of Mr. Alpaslan Turkes with its chauvinist aspirations and suspected links with the terrorist "Grey Wolves." Mr. Turkes' decision to give himself up has quietened fears that he might be planning a counter coup, though it does not follow that the Wolves will all give up calmly.

Conservative

The fundamental problem behind all three coups and behind the entire history of Kemalist Turkey has been how to bring a profoundly conservative country of Muslim peasants and landowners, with a thin uper class of merchants and intellectuals, into the modern age. Kemal twice gave up experiments with a multi-party system because he feared an Islamic backlash against his secular state. When the multi-party system was instituted in 1950, 12 years after his death, such a backlash became apparent.

Even today, as events have shown, Turkish society provides no stable basis for Western-style liberal democracy. In office, Mr. Demirel boasted of a Great Turkey, which would be the world's tenth industrial power by AD 2000. Instead the country became victim to corruption, inefficiency and extremism, but even more, perhaps, to the oil crisis and the flagging impetus of the world economy.

The parliament elected in 1977 fully demonstrated its inability to cope with any of these problems. In more than 100 tries it could not even elect a head of state. It used its constitutional right to block new elections which might—or might not—have produced a Government capable of governing. None the less, the military must not delay long before returning to constitutional rule a pacified country capable of economic recovery. The onus of proof is on the generals.

THE BRITISH ECONOMY

Singular inability to react to external shocks

BY SAMUEL BRITTAN

I CAME to understand one of the most important principles of economics, that of diminishing returns, at a very early age because I grew up in a medical family.

If a patient had a mysterious ailment, it was a good idea to send him to more than one consultant. But after a very moderate number of such consultations, rapidly diminishing returns set in.

The analogy with the British economy is all too obvious. It has been diagnosed so often that one will be very lucky indeed if a great deal is discovered from yet another examination. The first Brookings Report, *Britain's Economic Prospects*, published in 1968, was noteworthy for recommending devaluation after it had occurred.

What is surprising about the Washington-based institution's new report, *Britain's Economic Performance*,* is not that it fails to provide "the answer" to the country's troubles, but that it does contain a few interesting ideas.

The chapter I liked best is the introduction by R. E. Caves and L. Krause which some of the severer academics would undoubtedly call "journalistic." Yet it does contain a very useful slogan which is also true: "Britain lacks the ability to adjust to external shocks." This is best explained by a topical illustration. The second oil price explosion of 1978-79 provided an inflationary shock throughout the world. There is no difficulty in accepting this notion for those of us whose monetarism is of the long term and less mechanistic variety.

Why, however, was the effect so much greater in Britain than in other countries, in spite of the potential insulation offered by a sharply rising currency which other countries lacked?

The British inflation rate, measured by the Retail Prices Index, rose from a temporary low of just over 8 per cent in 1978 to a peak of over 21 per cent in May 1980 before starting to decline again. By contrast the average inflation rate of other industrial countries rose from just under 8 per cent in 1978 to a peak of 13 to 14 per cent in 1980.

Three policy mistakes contributed to this deterioration: the increased borrowing requirement in Mr. Healey's last budget of 1978, the VAT rise in Sir Geoffrey Howe's first 1979 budget and Bank of England governor Gordon Richardson's "corset" howler, which hid excessive growth of the money supply under both Chancellors. The magnitude of the damage from three modest seeming errors by three men genuinely trying to follow anti-inflationary policies requires some comment.

These errors could only have done the damage they did because of (a) the international oil price explosion and (b) the relative difficulty of the British economy—or people—in adjusting to shocks of a peacetime variety. This takes us straight back to the first chapter of Brookings. As the authors rightly say the British economy "adjusts less well than others to external shocks because it has a smaller capacity for internal adjustment."

Authors of three "modest" errors: Sir Geoffrey Howe (left), Mr. Gordon Richardson, and Mr. Denis Healey (right).

In most industrialised countries, workers did not attempt to recoup in wages the real income losses arising from the 1979-80 oil price explosion. The UK was the exception, where large increases in real wages were achieved in the two years from the spring of 1978 to the spring of 1980. It is easy to see policy errors which contributed to this such as the wage rebound following the collapse of the Labour Government's incomes policy and the mishandling of public sector pay by the new administration.

But the relative British inability to withstand shocks would follow from two more deep-seated features. The slow underlying growth rate of the UK means that any temporary check is more of a blow than elsewhere. Second the power of producer interest groups is not only a cause of slow growth, but increases "real wage resistance" in the face of external changes which require a reduction in real wages.

The inability to come to terms with shocks applies even to favourable shocks such as the impact of North Sea oil. The appreciation of sterling to which it contributes is a sign that the UK could finance part of its imports from low resource cost oil and from financial inflows. In other words a boost to the standard of living is possible on condition that resources are shifted away from traditional traded goods, a proposition which meets with stubborn resistance.

The combination of external shocks and powerful pressure groups resistant to any fall in real earnings may also explain the most novel feature of the British disease. Until the late 1970s British unemployment rates were—in figures adjusted as far as possible for international differences — consistently lower than the OECD average. Since 1977 they have been consistently higher. Both the U.S. and UK are alike, having a much severer recession in 1980 than Continental European countries. But Britain does not look like emerging with anything like the speed of the U.S.

GROWTH OF REAL GDP PER CAPITA
AVERAGE ANNUAL COMPOUND %

	1955–64	1964–69	1969–73	1973–79
OECD	2.9	4.0	3.7	1.8
U.S.	1.5	3.3	2.5	1.6
UK	2.5	2.0	3.5	1.1
Japan	8.9	9.6	7.2	2.9
Germany	4.4	3.7	3.7	2.5
France	4.1	4.3	4.7	2.6

Source: OECD

The power of producer groups and "real wage resistance" mean that anything like an oil price shock, which is not completely accommodated by the printing of money, will lead for a time to both more inflation and more unemployment in the UK than in other countries. But it is possible that Britain has also entered a long-term phase of more unemployment and more economic slack, as measured by conventional indicators, than other comparable countries.

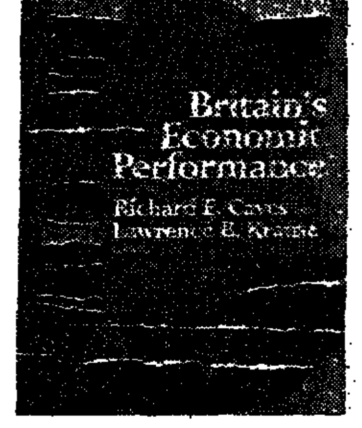
The alternative explanation both of the severity of the 1980 recession and the longer term emergence of high unemployment and economic slack is deficient demand or an "output gap" between actual and potential output. Such a gap is said to exist by R. Dornbusch and S. Fischer in their macro-economic chapter of the Brookings study: for 1977 this is put at 9½ per cent of total output and nearly 15 per cent of manufacturing production. Heaven knows what they would estimate it to be in 1980-81. They are, however, cautious and hesitant about prescribing remedies.

Their suggested prescription is fiscal ease, which they claim will reduce the real exchange rate. This is the precise opposite of the prescription of fiscal tightening and lower interest rates—also in aid of a lower exchange rate—urged by the Government's City critics. The two sets of proposals cancel out and neither should be taken too seriously.

The whole idea of an output gap, except in cyclical troughs is, however, rightly thrown out by Caves and Krause in their introductory chapter to the very same volume. "If the reservation price of all non-working persons, for example, is substantially above the going rate, then the economy can be considered fully employed and incapable of producing more." They cite estimates of a 7 per cent unemployment rate as the lowest sustainable without accelerating inflation (the so-called "natural rate"). They also point out that, of the earlier increases in monetary demand, as measured by nominal GDP in 1973-78, 92 per cent went into inflation and only 8 per cent in higher output.

In spite of North Sea oil the curious idea still lingers that British output is held back by a balance of payments constraint. This view, most closely associated with the Cambridge Economic Policy Group, is that either the constraint will re-emerge, or that it would re-emerge if output moved nearer full employment levels. The usual remedy for such a state of affairs is currency deprecition. Indeed it is not even necessary as a conscious policy, but something that would happen automatically under a floating rate. But if depreciation does not work, because wages rise to offset it, there is not really an ouput gap at all as activity is already high as can be consistent with the wage on which labour insists.

Import controls offer but a cosmetic sfeguard. Even Dornbusch and Fischer, the most



Keynesian of the Brookings authors remark: "It is not apparent why reducing real wages through protectionism does not affect workers in the same way as reducing real wages through depreciation."

The Brookings study accepts that institutional structures and attitudes are at the root of low British growth and that the more general explanation in terms of macroeconomic policy or political ideology are unconvincing. Richard Caves, the principal writer on industrial performance, confirms this by looking at inter-industry differences. Bad labour relations have their worst effects on productivity in the older industrial regions.

Because labour relations tend to be worst in the largest organisations, the small scale plant is likely to have an advantage, even if it means sacrificing some economies of scale. Activity is likely to shift from large scale assembly to small scale process industries and to those using female labour forces. As productivity deterrents are greater in manufacturing than services the long term shift of final expenditures towards services is likely to move faster than ever.

The most original Brookings chapter is by David C. Smith on trade unions. The conventional British establishment argument is that fiscal and monetary policy is not sufficient to stop runaway inflation, because of union power, and that therefore an "incomes policy" is essential.

Mr. Smith neatly stands this argument on its head. He shows that it was severe and unanticipated changes in inflation which led to a growth in union membership because such changes increased the demand for collective bargaining services. The growth of unionisation in turn was one cause of the increase in strike activity. The latter was also provoked directly by high and uncertain inflation. Changing labour force characteristics unfavourable to unions were more than offset by government policies to increase their role and power. These, if I may add my own gloss were due (a) to the spectacular defeat of the Heath Government at the hands of the unions and the return to office of a Labour Party, more nearly a pure trade union instrument than at any time since World War I and (b) the desire of policy makers to buy union support for incomes policy.

Thus there was a vicious circle by which union power and lack of capacity to react to external shocks increased the difficulties and costs of macroeconomic policy. The result was bad performance on inflation and unemployment which further increased the obstructive role of unions which in turn made economic policy even more difficult.

The Brookings authors do not expect wonders from the various suggestions which they throw out en route. But the most realistic proposal is the one which ends the introductory chapter: "less positive but no less important. Policymakers could do a better job of living within existing constraints and convincing the people to do likewise. It is bad enough to endure relative impoverishment; it need not be made worse by inflation."

* Edited by R. E. Caves and L. Krause. Blackwell, £12 and £4.95.

MEN AND MATTERS

The estate of the Union

A seven-year renovation of its Cornhill properties has won for the Union Discount Company both the principal award for 1980 and a high commendation from the City Heritage Society, which presents its City Heritage Award on Wednesday.

The main award goes to Union's headquarters at 39 Cornhill, built for the company at the end of the last century. Highly commended is work on Simpson's Tavern, the restaurant at 39½ Cornhill which was sold by Union after renovation and is now owned by the Sun Alliance group.

"The whole thing is a joy," a pleased senior managing director Richard Petherbridge quoted to me from the CHS citation for 39 Cornhill. The transformation of the old-style Victorian banking-hall—"lavatorial tiles and mahogany work," says Petherbridge—to accommodate the computerised needs of modern business has left undisturbed the building's original facade, while the back has been knocked down and rebuilt on its original foundations.

While architects The Fitzroy Robinson Partnership laboured away at number 39, Mitchell and Partners were hanging the plumb-lines half a door away in Simpsons. The old-fashioned brass-railed interior of the restaurant has been so well preserved, says Petherbridge, that "people who go into Simpson's don't realise that anything has been done to it at all." What has in fact been done without ruffling the surface is an overhaul of the fabric of the building, while the kitchen has been moved from its original home over the restaurant down into the basement.

The total cost has been around £4m—but money well spent, says Petherbridge. "Having done it, we are all delighted. And it is appreciated by our shareholders."

"They must have heard that now you can 'Fly the Flag' for £77"

Lighter note

I have long wondered what it takes to make an accountant laugh. But I never suspected that one way might be to have him hauled before the Institute of Chartered Accountants Ethics Committee.

The Ernst and Whinney hierarchy hooted in disbelief, I am told, when they heard recently that someone had sneaked on them to the ICA, alleging the cardinal sin of advertising. The complaint was over book matches, in plain white with a simple "E and W" on the front, supplied for in-house use. Instead of being ignored, the matter was referred to the Ethics Committee, which cleared the incredulous firm.

Christmas card

If all that Christmas traditionally brings to you is yet another stocking stuffed with odd socks and after-shave, then a little forward planning could help to brighten things up this time round. A gift catalogue is now available to American Express cardholders in the US and France which, if distributed liberally and conspicuously throughout the home and followed with well-placed hints, should provide all the guidance a loved-one might need.

The loved one might, for instance, be persuaded that what you want more than anything else is the "Astrocan" rocket, which propels itself up to a height of several hundred feet, takes a colour photograph of the ground below, and is parachute-borne back to earth. A snip, to these ballistically unpractised eyes, at $46.

Those with larger affections and bank balances might wish to stump up a mere $12,500 for the "ultimate communications centre." A 12-foot dish aerial picks up radio and television programmes from passing satellites, and via 24 remotely controlled channels offers what the catalogue proudly claims to be "a choice of all the best programmes the hemisphere has to offer."

For the kiddies, how about a box of 16 chocolate American Express cards ($17.50)

But for the man who has everything except humility, this year's "must" is a De Lorean sports car finished in "glittering 24-carat gold." Yours for only $10,000 down (chargeable to your card, but no refunds or deferred payment privileges), and a little matter of $75,000 when the car is delivered in the course of next year.

Coke au vin

Coca-Cola might well hope for a smoother launch of its Californian wines in the UK this month than it enjoyed when they were introduced in the home market. Coke caused something of a fuss in the traditionally staid American wine industry when, after scooping a distributor and two vineyards into its Wine Spectrum division, it promoted the brews through a "taste test" campaign in which a panel of independent experts notched up the Coke wines ahead of better-known Californian brands. Investigation by a government regulatory agency followed vigorous complaints from the opposition. Wine Spectrum was cleared of misleading advertising, but none the less voluntarily ditched the campaign.

The UK launch puts the Wine Spectrum product on supermarket shelves at £2.19 a bottle—twice the American price, owing to transport and duty costs. Bureaucratic problems with the EEC dissuaded Coke from a Europe-wide launch straight away, but a British success would poise the company for Continental expansion.

Touche

The rich, it is said, are no different from the rest of us—they just have more money. The same would seem to be true of the corporate rich, to judge from a colleague's recent encounter with GEC head Lord Weinstock, whose accounts are awash with some £600m of spare change. "What plans," queried my fellow scribe, "do you have for spending so much cash." The imperturbable peer surveyed his threadbare inquisitor. "How much money do you have in your wallet?" he replied. "What plans do you have for spending that?" Undaunted, my colleague admitted being the proud possessor of some £5 and cited a pressing need to have lunch. I fear Lord Weinstock may not have been persuaded by this liquidity-reducing strategy. But if he was, there would dawn the happiest day in living memory for the proprietors of hostelries throughout the City.

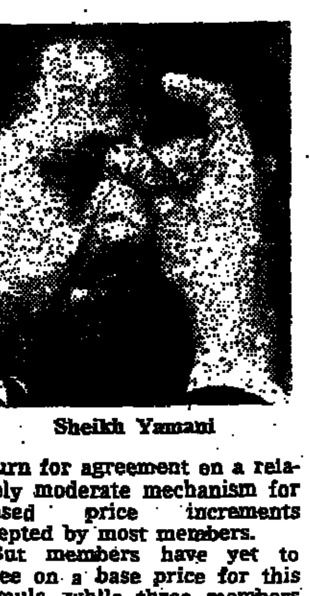
Change and decay

Overheard in Fortnum's: "Robin has always enjoyed the good things in life, of course, but at 63 it is high time he stopped thinking of himself as one of them."

Observer

TODAY'S VIENNA CONFERENCE

OPEC looks beyond the oil price



Sheikh Yamani

Richard Johns looks at new OPEC proposals to be discussed in Vienna today. Hugh O'Shaughnessy reports (right) on a new example of how oil rich countries can help poor importers.

...E Organisation of Petroleum ...orting Countries' conference ...nning today is the first to ...eld in Vienna, the home of ...rmanent secretariat, since ...ters were rudely inter-...d and taken hostage by ...s and his gang in December ...5.

The ministers who meet in the Habsburg opulence of the Hofburg palace have before them a new strategy document which, they hope, will chart the way forward for the 13-nation oil producing group for the next few years.

Like the first "Tri-Ministerial Conference" in 1975, this one brings together not merely oil, but also foreign and finance ministers for only the second time in OPEC's 20-year history. Its purpose is to prepare for an OPEC summit in Baghdad in November and to finalise a comprehensive policy that will go well beyond the setting of oil prices. But this time OPEC's approach is more sharply defined, co-ordinated and confident.

Agreement is close on a formula that would provide for automatic increases in oil prices and make them more predictable than in the past. In reviewing the report of OPEC's Committee on Long-Term Strategy, chaired by Sheikh Ahmed Zaki Yamani, which began its deliberations in May 1977, the ministers will not be focusing merely on oil, the preoccupation of the regular biannual conferences.

The aim, as in 1975, is nothing less than finding a way to align other less privileged developing countries with the oil producers in an effort to create a new international order. The last attempt launched by the OPEC Solemn Declaration after the 1975 meeting was accompanied by a great fanfare but achieved hardly anything. Once again OPEC is calling upon the industrialised countries to make an equal effort—indeed greater sacrifices than OPEC members—to help the Third World with aid, better prices for raw materials, and technology.

But this approach is accompanied by the same refusal to accept that OPEC bears much responsibility for monetary disequilibrium, payments problems and the global economic malaise in general. Few ministers would accept the criticisms made, for example, by Chancellor Helmut Schmidt of West Germany last week.

Cynics might argue, in fact, that this new policy—as laid out in the report which will be discussed in Vienna—amounts to little more than a rationalisation, justification and defence of the near tripling of per barrel revenues since 1978.

But there is more to it than that. The OPEC that is meeting this week is very different from the organisation of five years ago. Since 1975 concern about, and awareness of, the rapid depletion of a wasting asset and the looming critical shortage of oil by the middle of the decade has become much more acute.

Thus final draft of the committee's report does not merely, like the Solemn Declaration, paylip service to the principle of indexing oil prices to maintain their real value but makes specific proposals for increasing them progressively in real terms.

The new ministerial report falls short of recommending a co-ordinated production programme. But it does contain the proposition, now implicity accepted by Saudi Arabia, that during periods of glut a proportion of collective output should be cut until "a later period of better balances and higher revenues."

Hitherto, Saudi Arabia, the "swing producer" with a critical margin of capacity in *hand, has steadfastly set its face* against any production control, insisting that it would infringe its own and other members' sovereignty.

Now it is understood to be prepared to consider a policy of OPEC control of output in return for agreement on a relatively moderate mechanism for phased price increments accepted by most members.

But members have yet to agree on a *base price* for this formula, while three members—Iran, Algeria and Libya—still evidently oppose or have "reservations" about the method of indexation favoured by Saudi Arabia and the others.

Equally critical to the outcome of this week's meeting is the need to compromise on the realignment of prices which have been in disaray since early 1979.

The draft of the report approved, with "reservations" *on the part of these three,* recommends a formula to take account of:

- World wide *inflation*, according to an index based on roughly two-thirds of the rise in prices *of exports from members of* the Organisation for Economic Development and Co-operation *and one-third on their domestic* prices (to reflect the cost of services).
- *An automatic exchange rate* adjustment factor calculated on the fluctuations of 12 leading *currencies including* the dollar.
- The average growth in real GNP of OECD members—to give increases in real terms.

Iran, Algeria and Libya have argued that the formula should be amended so that the inflation index would be based on OPEC's actual import prices and the mechanism for increments in real terms on their *own (abnormally high) rates* of growth—a potentially much more inflationary device. In an *interview* last month Mr. Belkacem Nabi, the Algerian Minister of Oil, indicated that *the objections of his country*—which was a member of the ministerial committee—had not *been overcome. If so,* Libya *is* unlikely to have dropped its reservations.

As for Iran, it is regarded by the mainstream moderates, in particular the two heavyweights Saudi Arabia and Iraq, as almost beyond the pale.

With exports of its own over-*priced oil* at a trickle, Iran has accused Saudi Arabia and Iraq of serving "Western *Imperialism*" *by maintaining a* high production rate.

Prospects for compromise on *a base price of $32 per barrel* seem fair—with Saudi Arabia moving up from its rate of $28 *in one or two stages by the* beginning of next year. But that cannot be regarded as a *foregone conclusion,* and the problem of differentials, quite apart from Iran's, could yet prove difficult to solve.

Even if Algeria and Libya were to agree on the more *moderate formula for indexation,* there is no guarantee that prices would not soar well above the *basic floor set* by the mechanism. On this point the draft does not speak of a ceiling but only suggests that "*in periods of shortage some price* restraint may be called for."

OPEC is offering "an orderly balance between supply and demand, in the long-term, taking into account the production policies of member countries"—but with a pronounced and clearly stated preference for the Third World, especially in times of shortage. It is also *frank that equilibrium* could be seriously upset by political factors, notably the situation in *the Middle East.*

Adoption of and adherence to the more moderate indexing proposals are prerequisite if the industrialised countries are to take seriously the strategy outlined in the report as the basis for discussion on the whole range of problems that for the most part were abortively chewed over in the North-South dialogue which expired with hardly a whimper in 1977.

"OPEC holds power in the present phase of the game." says a copy of the draft. Its demands include, again:

- free entry to the markets of the developed countries for refined products and petrochemicals;
- access to existing and new advanced technology;
- the lifting of trade barriers to non-oil exports of members;
- involvement in exploration and research with them.

Also spelt out are the objectives in the financial sphere, especially important to Saudi Arabia and Kuwait, that surfaced in the original dialogue—most-favoured-nation access to markets and representation in the governing bodies of the World Bank and the International Monetary Fund "commensurate with their contribution" to them.

It is recommended that "OPEC should exercise *leverage on* the developed countries to seek improvements in the lot of developing coun*tries." The report gives general* approval for the Iraqi proposal for a fund to be financed jointly with the industrialised *countries saying that OPEC aid* "to the developing countries should not be given unilaterally *without a commensurate commitment*" from them.

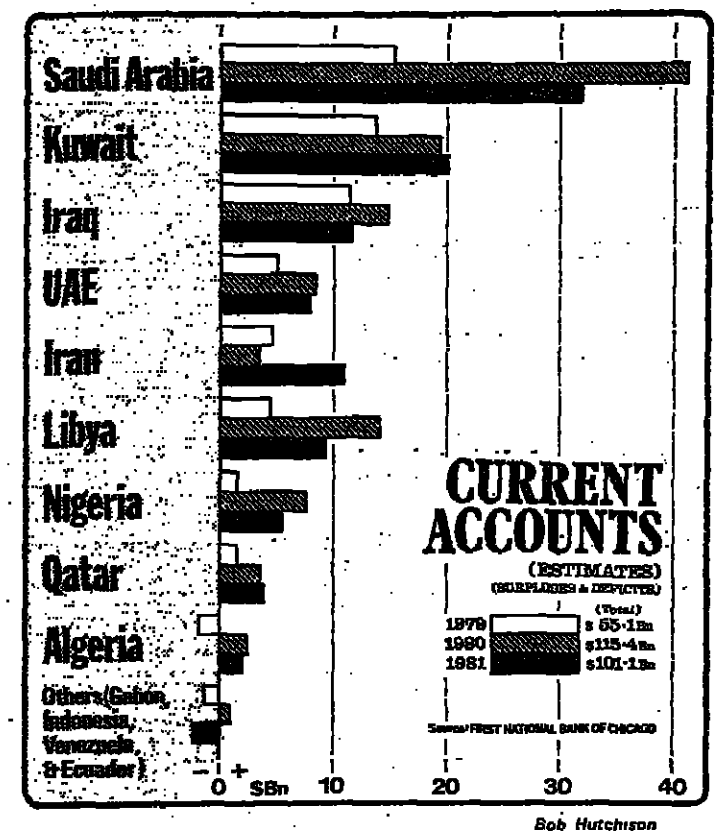
The proposition is that the OECD contribution should be calculated on the basis of the inflation in the cost of its exports while the OPEC aid should be calculated according *to the prices of oil exported* to developing countries—taking into account the effective dis*count resulting from* credit terms.

This could mean the industrialised countries providing two-and-a-half times as much as OPEC, it is calculated.

Approval for the expansion of the OPEC Special Fund's capital from the $4bn to $20bn was given at a meeting in Taif. The plan is that it should help to mitigate the impact of future price increases on developing countries. Assistance would vary according to the importers' means from long-term loans that would completely defray the extra cost to the poorest states to medium-term facilities covering part or all of the requirements of such advanced countries as Brazil and Turkey.

The strategy report has yet to be approved—but it is likely to be even if only in some modified form and with Iran not subscribing to it. In the meantime, the oil producers have been conspicuous by their silence at the UN special session on world development and have yet to forge an alliance with the poorer countries most badly hit by price increases of 1979-80, whose growth may have been severely retarded.

OPEC's strategic thinking as it has evolved, if nothing else, is a reflection of the economic balance of power as the producers perceive it. Precisely because it could lead to confrontation, rather than co-*operation,* the West can hardly ignore it.



Bob Hutchison

THE AGREEMENT *that* **Venezuela and Mexico should henceforward supply up to** ***160,000 barrels a day to nine*** **countries of Central America and the Caribbean has been** ***hailed as an outstanding*** **example of how oil rich countries should help the oil importers among the developing countries. While it does have significance beyond the bounds of the Western Hemisphere, it is not without its practical difficulties.**

The deal announced last month provides that Guatamala, Honduras, El Salvador, Nicaragua and Panama in Central America and the Commonwealth countries of Jamaica and Barbados in the Caribbean will receive from the two suppliers all their requirements, provided these do not together exceed the 160,000 bbd ceiling. None of the recipient countries, except Guatemala, has any significant domestic source of oil.

Up to 3,000 bbd will initially be supplied by Mexico, not a member of OPEC, and the rest by Venezuela, an OPEC member. Next year Mexico's share will grow till it comes level with Venezuela's.

The buyers will be paying only 70 per cent of the cost, the remaining 30 per cent being financed by a five-year loan at 4 per cent. The buyers have the option of using the 30 per cent of the purchase price on development projects and if they do, they will be able to repay the sellers over a maximum of 20 years at only 2 per cent. The loans may also be repaid in kind rather than cash.

Practical difficulties have arisen after the initial euphoria. Tankerage, storage and distribution facilities hitherto provided by the multinational oil companies may have to be adapted to take the fuel from the new sellers. In the political field, some recipients have been openly concerned at the political leverage acquired over them by the supplier countries.

Letters to the Editor

Paying for pensions

From the Secretary, Council of Civil Service Unions.

Sir, — Mr. Eric Short's article in your September 11 issue restores some balance after the wilder excesses promoted by the well-publicised evidence of the Centre for Policy Studies last week. Rightly, Mr. Short points to a fundamental error in the CPS paper which effectively undermines the very basis of their conclusion that civil servants should pay much more for their retired colleagues' pensions. He is also right in saying that "the taxpayer should have the necessary information to judge what a more realistic rate (of contribution) should be."

Perhaps I can add some of this "necessary information." First, and entirely essential, is the fact that the Civil Service pension scheme is not only non-*contributory,* it is also non-funded. One might, therefore, reasonably ask what are the *relevance of the criteria* concerning funded, contributory schemes to a "pay-as-you-go" scheme like the Civil Service? "Pay-as-you-go" schemes are only concerned with current costs, and, on the basis, civil servants meet their full share (around £400m) of the current annual cost (£709m) of Civil Service pensions, including the cumulative cost of index-linking. The "taxpayer's share" is considerably less than the average employer's share of the cost of providing pensions for employees.

Second, the Government Actuary's deduction is re-assessed each year and reflects the *usual actuarial assumptions.* We fully accept the outcome of this annual re-assessment, so *how are we out of line with* general practice? Mr. Short gives a clue to the motive behind the CPS *attack:* "The Centre's attitude is likely to receive a sympathetic response from pension fund managers . . ." Perhaps the current Scott Inquiry would be better off looking into this much more worrying aspect. After all, are the members of funded schemes really being properly safeguarded so far as their income in retirement is concerned?

Finally, on our contribution, which currently totals an equivalent of 8½ per cent of salary. (Incidentally, this is by far the highest of any large pension *scheme in the public sector* — or any other sector, for that matter. For example, we estimate *that the police* — the darlings of the Government — should be paying at least 9 per cent more than they currently do, even on our much-criticised basis of contribution!) If this figure is to be increased, then it seems reasonably clear that any *higher figure* would represent such a massive forward investment for each civil servant that we would be bound to press for our scheme to be funded. The present unsecured basis of Civil Service pensions could not survive a change of the *kind blithely envisaged* by our critics. The first consequence of funding, however, would be to require our employer, the Government, to stop breaking its own rules for occupational pensions schemes and make an actual employer contribution. This would amount to around £500m pa — or just about the whole of the amount that the *Prime Minister* extracted from the UK's EEC budgetary contribution!

P. D. Jones.
19, Rochester Row, SW1.

Strength of the pound

From Mr. M. D. McCarthy

Sir,—At last another person, namely Mr. Roger Bartlett ("Strength of the Pound" letter, September 11), has realised that this so-called strong pound has been used for years as the scapegoat for poor performance. I have been writing *to company chairmen etc.* for years now, taking them to task about this excuse.

Mr. Bartlett has, however, omitted one very relevant fact for our uncompetitiveness, namely productivity, or rather the lack of it.

I believe many senior executives realise the problems but because they have not got the guts to confront the unions, they would prefer to bury their heads in the sand and hide behind the *convenience* of the so-called strong pound.

Congratulations Mr. Bartlett, *and good luck with your* economic studies! You have great promise, since you have pinpointed a very obvious, but conveniently forgotten fact of life.

M. D. McCarthy,
Director,
Delite Accessories.
Court Industrial Estate,
Diss, Norfolk.

Living standards

From Mr. David E. Lee

Sir,—It is generally agreed by all sections of responsible *public opinion* that if inflation is to be controlled no increase in earnings can be justified *unless it is accompanied* by a corresponding increase in productivity. The recent demands by the trade *union leaders* at British Leyland for a 20 per cent increase on the grounds *that the living standards of* their members must be protected is, of course, totally unrealistic. *Have they ever* considered that their living standards are already too high in relation to their productivity? At British Leyland in particular the employees, in view of the company's financial position, should be grateful to have employment and, if necessary, be prepared to accept reductions in earnings in order *to return* the company to a measure of viability.

However, if we expect organised *labour to* exercise moderation in their wage demands then an example must be shown at the top by the directors and executives of leading British companies. A random examination of the accounts of quoted companies over the past two years will reveal that the directors and executives of these companies, most of whom are already highly paid, have received increases as great, and in some cases far greater, than those demanded by trade unions. In *these circumstances can it* be expected that the unions will expect anything less on behalf of their members. It should also be pointed out that the higher paid were the greatest beneficiaries of the tax reductions introduced in the 1979 *Budget, so that any increase* over their 1978 earnings should be minimal and can only be justified in exceptional circumstances.

The CBI and the Institute of Directors should not remain silent on this matter as they have done in the past. They should insist that their members set an example of responsibility and restraint regarding their remuneration.

David E. Lee.
24, Corbins Lane,
South Harrow.

Redundancy riddle

From the Managing Director, The Zenith Electric Company

Sir,—It is unfortunately true that most local government councillors, of any political shade, are, as Mr. J. P. Pickering (September 11) says, mesmerised by the Council's officials. This is not to be wondered at when one considers the composition of the average council. In general it comprises retired small businessmen, local shopkeepers, housewives and relatively lowly members of business organisations, the latter finding the allowances useful as a means of augmenting *their incomes.* Rarely indeed does one find a successful practising businessman as a member *of a local council.*

This is not the fault of the members of the councils or even of the electorate. Most of the people whom one could regard as successful *administrators* in industry or commerce would say that they have no time to take on a councillor's work.

The result of this is that there is usually no member of a council who is in any position to argue with the *Chief* Executive on the question of the manning of the administration, and so the officials become judge and jury in their own court. Of course, to some extent the same situation applies to Central Government and the Civil Service. The subject is well documented in the I.E.A. Hobart Paperback "Bureaucracy — Servant or Master."

It seems to me that the only way this situation can be remedied is for Councils to have their administration investigated by independent consultants with the object of determining the necessary work load and recommending staffing levels to carry it out. I believe one or two councils have done this with excellent results, but the *majority* of councils do not have the temerity even to suggest such a course to their chief *executives.*

J. H. Pogmore.
Cranfield House,
Wavendon, Milton Keynes.

Power in the wind

From Mr. A. E. Davies

Sir,—Your correspondent Mr. B. Wood, whose letter under the heading "Power from the Wind" appeared in your issue of August 29, does not, in his doleful prediction concerning the prospects for wind power, appear to be keeping himself *abreast* of technical developments in this field. Certainly his potted history of windmills in the past *is a terrible distortion* of hundreds of years of usage.

You may assure Mr. Woods on a number of points.

Yes, windmill engineers of *today are* aware of the cubic relationship between wind power and wind speed. Were *this not the case* it would be doubtful if current U.S. policy would declare the immediate competitiveness of wind power with their own public utilities. It is a statement that can cause trauma in Mr. Wood's circles.

No, windmills have not got a narrow range of application for the very reason that the cube law expands the power. A wind speed range of 3:1 offers a 27:1 range of wind power.

Yes, aircraft and helicopter technology is used, so is computer and chip technology and so would trout fishing technology if it had anything to offer. Safety factor is just one aspect of technology and the present round of windmill development is mainly concerned with finding the correct level of that factor. Of course safety factors differ in different technologies. That is what safety factors are for.

Those working in the Energy field cannot understand the reason for the pessimism and negative thinking behind such letters as Mr. Wood's. The authorities, egged on by the faint hearts like Mr. Wood are almost guilty of fiasco: of allowing other countries to lead developments in this subject to the extent that UK Electricity Area Boards are importing windmills into this country.

If Mr. Wood lived in one of the remoter parts of Scotland rather than Twickenham, he might feel very different on the subject.

A. E. Davies.
Hillspur, Park Copse,
Dorking, Surrey.

Korean conundrum

From the Ambassador of the Republic of Korea

Sir,—The headline on your leader of September 9 on Korea holds *a different significance* for Koreans—"Danger Signals in Korea" would be an appropriate label for the student riots and other anti-social activities engineered by selfish would-be politicians and profiteers. To the people of the Republic of Korea, the dangers of civil war and Communist invasion are dominant. And until these are eliminated, rapid liberalisation of the society in other directions is somewhat of a luxury.

Having accepted the acidentally strategic position in which *we find ourselves,* we Koreans still need to assert, for the benefit of the objective readers of the *Financial Times, our* right to be considered as human beings. We have to work out day by day a progressive way of existing under very real threats and pressures of a kind which is nothing like the home life of the average British citizen.

Imagine a London situated a mere 25 miles from a fiercely hostile alien regime, bristling with fanatics prepared to pounce at the slightest sign of weakness. Think of the danger of being distracted from total vigilance by, say, *exhausting* London's attention on a rioting mob of all University students intent on diverting the protective forces of law and order into *full-scale civil warfare.*

This is what had happened in Korea. The capital city, Seoul, is only minutes away by air from the demarcation line where a million Communist troops are in constant readiness for the distraction which will allow them to pounce on the South. Your leader states correctly that "the North has not buried its ambi*tions and geography has not* altered." And indeed, Korea remains only 200 miles from Japan, *which is of significance* to the strategic interest of the North-East Asian area. We appreciate that. But meanwhile, we ourselves are between the Communist north and this important land of Japan. Are we not therefore in even more dire need of seeking swift and effective means of stopping short of civil war while retaining control of our own protective life-style?

Your own leader notes, in parenthesis, that "the majority *of the (Korean) population still* seems ready to suffer authority with Confucian stolidity." In*tended, as a cynical criticism,* this should rather be taken at face value and accepted as part of the reality with which we Koreans approach our precarious situation. Our people know that they need a leader of courage and decisiveness to get them through the difficult period ahead. The fact that they, the "majority," can accept this should help to allay the mistrust of our traditional friends and allies.

Pyo-Wook Han.
4, Palace Gate, W8.

British Rail's hara-kiri

From Mr. R. Monroe

Sir,—Mr. John Watson suggests in his letter (September 11) that British Rail is about to commit hara-kiri. I thought that the Japanese committed hara-kiri because they felt deep shame at some failure in the task they set out to achieve. If the management or employees of British Rail showed the slightest sign of shame for their failures I would feel there was hope for the future. This is plain despairing suicide while the balance of mind is disturbed.

R. Monroe,
Harley Buildings,
11 Old Hall Street, Liverpool.

Money supply from abroad

From Mr. P. A. Virgo

Sir,—Is it possible that the recent sharp increases in the money supply are genuine and caused by cash inflows from abroad attracted by high interest rates?

Much speculation has centred on distortions caused by the abolition of the banking "corset." However, the abolition of exchange controls and many associated reporting and recording *requirements may,* by blurring the distinction between domestic and overseas sterling holdings and possibly even sterling and non-sterling holdings, have caused a more fundamental change.

If so, and substantial relevant *transactions* are going unrecorded, could cause and effect have reversed, so that state enforced high interest rates have become a short term contributory cause of, rather than a response to, inflation?

I should be most grateful for the comments of your more expert correspondents.

P. A. Virgo
2 Eastbourne Avenue,
Acton, W3.

Today's Events

GENERAL

UK: Mr. Klaus Sahlgren, *United Nations' Centre on Transnational Corporations* executive director, is among speakers at two-day Financial Times conference on developing the annual company report, Savoy Hotel, London.

Amalgamated Union of Engineering Workers conference opens, Llandudno (to September 16).

Overseas: Oil, Finance and Foreign Ministers of Organisation of Petroleum Exporting Countries meet in Vienna, to discuss oil price developments.

EEC Foreign Affairs Council starts two-day meeting, Brussels.

International Union of Marine Insurance annual conference opens, Seattle.

European Parliament session opens, Strasbourg (to September 19).

Mr. Jean-Francois Deniau, French Foreign Trade Minister, starts visit to China (to September 19).

OFFICIAL STATISTICS

August provisional figures of retail sales. Balance of payments current account and overseas trade figures (August). Index of industrial production (July—provisional).

COMPANY MEETINGS

See Financial Diary on page 26.

COMPANY RESULTS

Final dividends: Chambers and Fargus. Jentique (Holdings). Link House Publications. Interim dividends: Bifurcated Engineering Horace Cory. Federated Land. James Fisher and Sons. Leadenhall Sterling. Low and Bonar Group. Pittard Group. Richards and Wallington Industries. Simon Engineering. Travis and Arnold. Interim figures: Kayser Bondor.

● LAIRD COMPENSATION

Fight continues on Wednesday

THE LONDON VAT Tribunal Centre may seem an unlikely venue for a show-down between the Government and a leading British company, but on Wednesday it will host the latest stage of a long and complex tussle between the Laird Group and the Department of Industry. Laird is seeking to accelerate the arbitration procedure on a long-standing compensation claim.

The dispute dates from early 1977 when the Labour Government nationalised the bulk of Britain's aircraft and shipbuilding industries. One of the natoionalised companies was Cammell Laird, the shipbuilding company, in which Laird had a 50 per cent stake.

In common with several other companies which have seen their assets nationalised, Laird has been far from saatisfied with the terms offered by the Government. It reached agreement earlier this year on compensation for Scottish Aviation, another of its interests that was nationalised, but the Cammell issue has proved more intractable.

A meeting between Laird and the DOI in May this year failed to resolve the deadlock and both parties agreed to refer the matter to the arbitration panel established by the Aircraft and Shipbuilding Industries Act of 1977. Laird presented its detailed claim in July but the Government has not yet submitted its answers. It is seeking a further extension of the deadline at Wednesday's tribunal and this is the application which will be opposed by Laird.

In rough terms, the Government has so far offered Laird £500,000, of which £400,000 has been paid on account, while Laird is mlaiming 10 times that figure. The gulf between the two sides arises principally from two complicating factors.

In 1970, the Laird Group agreed to place 50 per cent of Cammell Laird in public ownership. It wrote down the value of its shares to £1½m and the Government, through the now defunct Industrial Reorganisation (IRC), subscribed a balancing £1½m in shares. The IRC was also left with the right to appoint Cammell's senior management. By the time of nationalisation, the Government had spent £9m on Commell, restoring it to profit, and had pledged about £20m more.

Under the 1977 Act, the Government can effectively be exempted from responsibility for compensation if it can establish that Cammell had no "statutory or contractual right" to receive more Government aid. The DOI maintains that the Government had a moral commitment but was under no statutory obligation. This view is hotly contested by Laird.

Even if Laird wins on this point, the matter will not rest there. The 1977 Act laid down as the basis of compensation the average stock market price of a nationalised company in the six months to February 1974. Since Cammell Laird was owned equally by the Government and Laird Group, it had no stock market quotation. Both sides, therefore, will need to make an assessment of what the shares would have been worth, given the specific assets and earnings profile of the company in early 1974, together with the general stock market climate.

Laird is in a curiously strong position here since Cammell was exceptionally profitable in 1973-1974 and also boasted a strong order book. It had recently emerged from loss and was shortly to move sharply back into the red but Laird claims that the arbitration panel should take account only of the snap-shot picture in early 1974 and the group's prospects at that time, in acordance with the 1977 Act.

Its claim, prepared by Cazenove and Co., values the whole company at £10m, of which half would be due to Laird Group. The Government can be expected to argue for a significantly lower figure. And at present, neither looks prepared to yield much ground.

Recession and weather take toll on G. Oliver

REFLECTING THE deepening retail recession and wet weather which depressed the sale of summer merchandise, taxable profits of George Oliver (Footwear) fell to £261,000 in the first half of 1980, compared with £610,000 for the corresponding period last year, when sales were boosted by the pre-VAT rise boom.

It is inevitable that the second six months will remain depressed, says Mr. I. D. Oliver, chairman, although the company is well prepared to retain its share of the available market and to expand it as confidence returns.

The interim dividend is raised from 1p to 1.1p net—last year a total of 4p was paid from pre-tax profits of £1.7m.

First-half sales, net of VAT, rose by 13 per cent to £6.18m. Tax took £79,000 (£157,000) and there were extraordinary credits of £51,000 (£104,000).

The modernisation programme has continued, with expenditure of £1.1m in the six months, states the chairman. This has placed pressure on cash flow in the short term and, in addition, sales are lost during modernisation and rebuilding. The directors are convinced, however, of the need to prepare for the return of retail confidence.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Bifurcated Engineering, Horace Cory, Federated Land, James Fisher, Leadenhall Sterling, Low and Bonar, Pittard, Richards and Wellington, Simon Engineering (Travis and Arnold.

Finals:—Chambers and Fargus, Jentique, Link House Publications.

FUTURE DATES

Interims:—

Ayrshire Metal Products	Oct. 24
Berkeley Hembro Property	Sept. 25
Cartwright (R.)	Oct. 7
European Ferries	Sept. 19
Gerton Engineering	Sept. 18
Green's Economiser	Oct. 9
Manders	Sept. 24
Menzies (John)	Sept. 23
Reed (Austin)	Oct. 2
Smith St. Aubyn	Oct. 22
Sykes (Henry)	Oct. 22
Tarmac	Sept. 22

Finals:—

Banks (Sidney C.)	Sept. 30
Telefusion	Sept. 22

FT Share Information

The following security has been added to the Share Information Service appearing in the Financial Times:

Rolfe and Nolan Computer Services (Section: Industrials).

CHI sees marked reduction

It was likely that first-half results of C.H. Industrials in the current year would show a marked reduction compared with the corresponding period in 1979-80, Mr. Tim Hearley, the chairman, told the annual meeting.

The group manufactures automotive trim, building products, decorative trim and synthetic foam.

Mr. Hearley said it was not possible to give any firm indication of the likely outcome for the year as a whole, but assuming the current destocking phase ended during the second half, the group expected to see some recovery in demand for its manufacturing products.

A significant reduction in group borrowings and financial gearing is expeoted by the year-end.

Halftime drop at Rowton

THE COMBINED effect of a decline in the number of overseas visitors and greatly increased costs has hit the profits of Rowton Hotels. Despite a rise in turnover from £2.48m to £2.79m in the half-year ended June 30, the profit has dropped from £488,000 to £400,265.

And the directors give a warning that profits for the second half will not reach the £611,000 of the corresponding period of 1979, as the difficult conditions at the hotels seem unlikely to improve in the near future.

At present occupancy of the hotels is below that of last year; the high level of occupancy at hostels is maintained and is expected to continue.

In addition to the profit in 1979 there was £122,130 surplus on sale of listed investments; and £325,009 from the same source was added to the near £1.1m profit achieved for the whole of that year.

An unchanged interim dividend of 3.15p is declared—the 1979 final was 5.85p.

Abbey below budget after three months

The impact of international recession is affecting operations of Abbey, the Dublin-based housebuilding and property development group, and results for the first quarter are below budget, says Mr. James Gallagher, the chairman.

However, it is too early yet to predict the outcome for the full year, he tells members in his annual statement. The situation is being monitored closely and the group is poised to take full advantage of an upturn in the market.

Meeting, Dublin, October 3, noon.

Local housing contracts hit IDC

LOSSES of around £750,000 on local authority housing contracts ht the half-time performance of IDC Group, designer and constructor of industrial and commercial buildings.

Pre-tax profit for the half year to April 30, 1980 slid £292,741 to £209,229 on sales up at £19.64m, against £17.26m. Even so the net interim dividend is effectively being stepped up from 1.1p to 1.21p.

"Had it not been for these losses the results for 1980 would have shown a substantial improvement over those for 1979, but I now expect the full year's profits to be in the order of £1m," Mr. Howard Hicks, the chairman, says. Last time profit was a record £1.25m.

Mr. Hicks adds that the group's liquidity remains sound.

Net profit emerged at £100,429 (£236,526) after tax down from £265,444 to £108,800. Dividends absorb £54,608 (£47,640) with the chairman and his wife again waiving their rights to payment. For 1978/79 a total dividend of 4.6p, adjusted for the scrip issue, was paid.

London and Liverpool improves

Net revenue of London and Liverpool Trust rose from £23,950 to £31,549 in the year to March 30, 1980, after all charges including tax of £27,622 (£14,368) and extraordinary items.

Following the acquisition since the year end of Regent Autocar Company, the nature of the business has changed from an investment trust to an industrial holding company, and the directors point out that the figures are not characteristic of the present activities.

The portfolio of investments held at the year end has now been almost completely realised, they add.

Dividends totalling 0.84p (0.624p) have already been paid in respect of 1979/80.

Earnings are shown as 0.97p (0.85p) and the net asset value was 19.97p (21.38p) per share.

NO PROBES

It has been decided not to refer the following mergers to the Monopolies Commission.

The Trustee Savings Bank of a 75 per cent holding in the instalment credit business of United Dominions Trust.

Hong Kong Carpet Manufacturers of a 29.9 per cent holding in Carpets International.

General Reinsurance Corporation/Trident Insurance Group.

BTR Limited/Huyck Corporation (U.S.).

British Columbia Forests Products: Dorman Industries and Whonnock Industries/Rayonier Canada division of ITT Industries.

AB Electrolux of Stockholm/Progress of West Germany.

SPAIN

1980 High	1980 Low		Sept. 12 Price %
248	203	Banco Bilbao	237
270	217	Banco Central	270
220	203	Banco Exterior	212
234	200	Banco Hispano	232
137	117	Banco Ind. Cat.	120
175	141	Banco Madrid	141
282	237	Banco Santander	270
190	138	Banco Urquijo	142
248	208	Banco Vizcaya	248
228	200	Banco Zaragoza	226
123	75	Dragados	112
73	58	Espanola Zinc	71
68	53.2	Fecsa	64
40	23.2	Gal. Preciados	35
71.7	58.7	Hidrola	69
88.2	57.5	Iberduero	66.50
120	100.7	Petroleos	120
92	59	Petroliber	80
115	107	Sogefisa	107
65.5	51.5	Telefonica	63.20
70	58.2	Union Elect.	70

FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 19.9.80.

Terms (years)	3	4	5	6	7	8	9	10
Interest %	13	13	13	13	13	13	13	13

Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-928 7822, Ext. 367). Cheques payable to "Bank of England, a/c FFI." FFI is the holding company for ICFC and FCI.

هكذا من الأصل

WORLD STOCK MARKETS

NEW YORK

[illegible]

CANADA

[illegible]

HOLLAND

[illegible]

ITALY

[illegible]

NORWAY

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

FRANCE

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

GERMANY

[illegible]

DENMARK

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

AUSTRALIA

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

Financial Rand US$0.87¾ (Discount of 34½%)

BRAZIL

[illegible]

TEL AVIV

[illegible]

Spanish prices, Page 14

NOTES—[illegible]

Indices

NEW YORK —DOW JONES

	Sept. 12	Sept. 11	Sept. 10	Sept. 9	Sept. 8	Sept. 5	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
●Industr'ls	936.52	941.30	938.48	934.73	928.58	940.86	968.72 (15/8)	759.13 (21/4)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	68.15	68.32	68.48	68.51	68.24	69.50	75.61 (23/6)	63.97 (28/5)	—	—
Transport	321.26	321.21	320.66	320.77	321.85	325.43	329.15 (5/9)	233.69 (27/3)	329.15 (3/9/80)	12.23 (8/7/32)
Utilities	112.16	112.42	112.38	111.76	111.72	112.78	115.68 (8/7)	96.04 (27/3)	163.32 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's	47,180	44,770	51,430	44,468	42,050	38,150	—	—	—	—

●Day's high 945.48 low 932.51

Ind. div. yield %	Sept. 5	Aug. 29	Aug. 22	Year ago (approx
	5.72	5.75	5.59	5.67

STANDARD AND POORS

	Sept. 12	Sept. 11	Sept 10	Sept. 9	Sept. 8	Sept. 5	1980 High	1980 Low	Since Cmpil't' High	Since Cmpil't' Low
‡Indust'ls	142.57	142.71	141.64	140.79	139.86	141.71	144.99 (4/9)	111.09 (27/7)	144.99 (4/9/80)	3.52 (30/6/32)
§Composite	125.54	125.66	124.81	124.07	123.51	124.88	127.70 (4/9)	98.22 (13.2)	127.70 (4/9/80)	4.40 (1/6/32)

	Sept. 10	Sept. 3	Aug. 27	Year ago (approx)
Ind. div. yield %	4.69	4.64	4.73	5.05
Ind. P/E Ratio	8.62	8.51	8.34	12.92
Long Gov. Bond Yield	11.03	11.02	11.32	9.11

N.Y.S.E. ALL COMMON

Sept. 12	Sept. 11	Sept. 10	Sept. 9	1980 High	1980 Low
72.65	72.64	72.12	71.64	73.29 (4/9)	55.30 (27/3)

Rises and Falls	Sept. 12	Sept. 11	Sept. 10
Issues Traded	1,893	1,871	1,894
Rises	803	987	1,035
Falls	693	517	513
Unchanged	397	367	346
New Highs	—	158	137
New Lows	—	0	4

MONTREAL

	Sept. 12	Sept. 11	Sept. 10	Sept. 9	1980 High	1980 Low
Industrial	398.84	398.23	394.09	385.78	425.88 (29/2)	323.21 (27/3)
Combined	370.95	370.28	367.48	361.95	378.90 (25/2)	296.90 (27/3)
TORONTO Composite	2537.6	2537.7	2521.3	2288.8	2537.8 (12/9)	1702.5 (27/3)

	Sept. 12	Sept. 11	Sept. 10	Sept. 9	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1936/59)	975.44	964.95	959.15	963.27	978.54 (26/8)	780.00 (2/1)
Metal & Minrls. (1936/59)	6575.51	6268.47	6165.86	6217.57	6680.85 (14/2)	4581.26 (28/3)
AUSTRIA						
Credit Aktien (2/1/62)	68.75	67.10	67.28	67.01	69.48 (7/1)	65.59 (19/8)
BELGIUM						
Belgian SE (31/12/63)	91.30	91.40	91.67	91.43	105.75 (11/2)	90.14 (31/3)
DENMARK						
Copenhagen SE (1/1/73)	89.01	88.98	86.95	86.93	89.01 (12/9)	74.78 (5/8)
FRANCE						
CAC General (29/12/61)	112.9	112.2	111.6	111.2	117.8 (22/2)	97.1 (5/1)
Ind Tendance (28/12/79)	119.2	118.8	117.2	117.0	119.2 (12/9)	85.6 (3/1)
GERMANY						
FAZ-Aktien (31/12/58)	229.32	228.18	230.12	230.85	238.89 (25/2)	212.73 (28/3)
Commerzbank (Dec. 1953)	718.20	716.5	721.5	721.6	749.2 (25/2)	667.0 (27/3)
HOLLAND						
ANP-CBS General (1970)	84.9	84.6	84.6	84.5	88.0 (25/7)	74.0 (27/3)
ANP-CBS Indust. (1970)	65.5	65.4	65.6	65.6	68.2 (11/1)	58.2 (28/3)
HONG KONG						
Hang Seng Bank (31/7/64)	1220.35	1212.57	1211.13	1169.72	1230.86 (1/9)	738.9 (19/3)
ITALY						
Banca Comm. Ital (1972)	131.60	129.89	129.25	129.25	131.50 (12/9)	83.11 (2/1)
JAPAN						
Dow Average (16/5/49)	7000.04	6978.85	6958.21	6857.98	7000.04 (12/9)	6475.93 (27/3)
Tokyo New SE (4/1/68)	485.54	482.30	481.07	478.95	485.54 (12/9)	449.01 (10/3)
NORWAY						
Oslo SE (1/1/72)	121.20	120.58	120.58	120.07	144.79 (14/2)	118.12 (28/8)
SINGAPORE						
Straits Times (1966)	614.92	607.61	601.12	594.94	614.62 (12/9)	429.75 (5/1)
SOUTH AFRICA						
Gold (1958)	—	933.6	946.5	951.0	951.0 (9/9)	649.5 (2/7)
Industrial (1958)	—	626.6	625.8	626.4	627.1 (8/9)	456.8 (2/1)
SPAIN						
Madrid SE (28/12/79)	109.79	109.95	110.21	(c)	110.21 (10/9)	93.76 (13/6)
SWEDEN						
Jacobson & P. (1/1/58)	358.60	363.57	354.45	356.35	386.98 (8/2)	354.72 (17/1)
SWITZERLAND						
Swiss BankCpn. (31/12/58)	311.90	311.7	311.2	311.1	317.9 (11/2)	276.0 (28/3)
WORLD						
Capital Intl. (1/1/70)	152.9	—	152.2	151.5	152.9 (12/9)	120.5 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000, the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Sony	1,768,400	14⅛	−⅛	Archer-Daniels	436,400	35⅞	+2⅞
Deere	653,100	39	+⅞	Colgate	432,000	17⅛	−⅛
Texaco	530,600	36⅝	−½	Sears Roebuck	452,100	17⅛	−⅛
Nat. Semicndtr.	515,900	36¾	−2¾	IBM	431,300	65⅞	−½
Crouse-Hin.	506,200	41¼	+4¼	Asarco	376,[illegible]	50¾	—

INTERNATIONAL CAPITAL MARKETS

INTERNATIONAL BONDS

BY FRANCIS GHILÉS

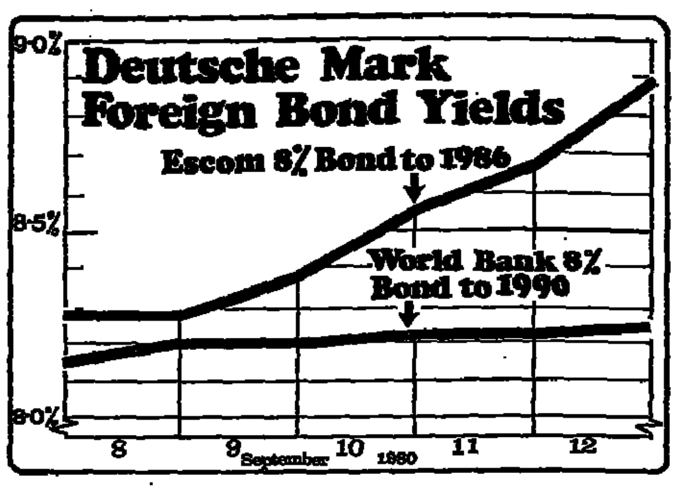
Investors prefer convertibles

INVESTORS stayed away from the major fixed interest rate sectors of the Eurobond market last week and concentrated their attention on dollar convertibles and sterling denominated bonds.

The latter sector witnessed what dealers described as one of its largest turnovers this year, with tickets of up to £300,000 being written where £25,000-£50,000 remains the norm. The rise in sterling bonds came on the back of a very strong gilt-edged market and pushed prices of seasoned issues up by an average of ½ of a point over the week.

Two new sterling issues were launched, a straight one for Finance for Industry and a convertible for Jusco. The £15m issue for FFI was increased on Thursday to £20m and closed earlier than expected because of the good reception it met in the market. A sterling issue for Banque Nationale de Paris is widely expected to reach the market this week through Morgan Grenfell.

In the dollar sector the limelight was firmly focused on convertible bonds. Four new issues were announced last week—three for the U.S. companies, Tricorp Oil and Gas, Marion Corporation and Huffy Corporation, and one for a Japanese borrower, JACCS. The $10m 15-year convertible for Huffy includes a coupon of 8½ per cent and is being arranged by Merrill Lynch International. One convertible, for Digicon, was increased by $3m to $18m because of good market reception. Most recent convertible issues were quoted at a premium when they reached the secondary market. This was, in particular, the case with Oak Industries, which was quoted at 102¼-¾, and Digicon, which was quoted at 101½-2½.



Two new floating rate note issues were launched, one for Banca Serfin, Mexico's third largest private bank, and the other for Banco de Santiago. On Friday the only straight dollar issue of the week, for G-MAC, was announced by Morgan Stanley. Some dealers thought a coupon of 12 per cent was too tight but if the 1½ per cent selling group discount is subtracted from the price of 99¾ the effective yield to maturity of this paper is 12.33 per cent. The 9½ per cent G-MAC bonds to 1986 are meanwhile trading on a yield to maturity of 12.25 per cent. The new notes have the added advantage, from the investor's point of view, of being non-callable to maturity.

The $150m issue for the Kingdom of Sweden got off to a good start and was trading at 99½ last Friday after being priced earlier in the week at 99½ per cent.

Despite the string of new convertible issues last week, trading in straight bonds and FRNs remained thin and many dealers said that investors were showing more interest in buying gold and silver than bonds. This was also true in the D-Mark foreign bond sector, where prices declined by an average of ¾ of a point on the week.

Yields are steadily rising in this sector, with more than a little help from domestic bonds. The prices of issues where the market is thin, at least in the foreign D-Mark sector, have fallen more steeply than those for which there is a good two-way trade (see chart) but overall the mood is very dull.

The new issue for the Republic of Austria met with a lukewarm reception and was quoted last Friday at a discount of 2-1½ points from its issue price of par, while the recently priced bond for Nuclebras fell sharply to 97½ as the market resisted the Brazilian name.

● Robert Smith will join the board of Citicorp International Bank Ltd. on October 1 as executive director in charge of Euro securities sales and trading. Mr. Smith was for many years with Kidder Peabody and more recently was general manager of Bondtrade.

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS							
‡§Minolta Camera Co.	30	1995	15	7¼	100	Daiwa (Europe)	7.123
‡††Long Term Credit Bank of Japan	25	1998	8	5¼◊	100	Daiwa (Europe)	5.319
‡§Digicon Inc.	18	1995	15	8½	100	Schroder Wagg	8.50
**‡Kingdom of Sweden	150	1985	5	12¼	99½	S. G. Warburg	12.44
†Republic of Panama	25	1987	6	6¼◊	99½	Yamaichi First Chicago (Asia) Sing. Japan Merchant Bank	*
§Tricorp Oil & Gas NV (g'teed Triton Oil and Gas)	20	1995	15	8½	100	Schroder Wagg	8.50
§JACCS Co. Ltd.	25	1995	—	7¼-¾	*	Yamaichi	*
†Banca Serfin	25	1986	5.2	7¼◊	100	CSFB	7.38
†Banco de Santiago	25	1986	5½	6¼◊	100	Citicorp	6.25
‡GMAC O'seas Fin. NV (g'teed GMAC)	100	1987	7	12	99½	Morgan Stanley	12.05
Marion Int. Fin. NV (g'teed Marion Corp.)	20	1995	—	9½	*	Blyth Eastman	*
D-MARKS							
Repulic of Austria	150	1992	—	9½	100	Dresdner Bank	9.50
YEN							
‡World Bank	30bn	1995	12.3	8.6	99.90	Daiwa	8.80
FRENCH FRANCS							
Tradinvest Bank and Trust Co. of Nassau (g'teed ENI)	120	1985	5	13½	*	Caisse des Depots Dean Witter, Societe General	*
SWISS FRANCS							
†Udruzena Beogradska Banka	20	1990	8	6½◊	99	Soditic	6.75◊
†Banco Central de Costa Rica	20	1990	—	7◊	100	Banque Gutzwiller	7.12◊
Voest Alpine	80	1990	—	5¾	99½	Credit Suisse	5.78
‡**Sumitomo Realty and Devmpt. Co. Ltd.	20	1985	—	5¼	100	Credit Suisse	5.25
City of Oslo	80	1990	—	5¾	100	Handelsbank	*
STERLING							
‡FFI	20	1987	7	13¾	100	S. G. Warburg	‡3.75
§Jusco	10	1996	—	8	*	Hill Samuel	*

* Not yet priced. ‡ Final terms. ** Placement. † Floating rate note. ◊ Minimum. § Convertible. †† Registered with U.S. Securities and Exchange Commission. ¶ Purchase Fund.
Note: Yields are calculated on AIBD basis.

CREDITS

BY PETER MONTAGNON

Yugoslav jumbo in the wings

YUGOSLAVIA IS expected to use the International Monetary Fund meeting at the end of this month to launch formal efforts to obtain a major Eurocredit for its National Bank.

Such a deal has been rumoured for some time in the Euromarkets, but discussions to date have been very preliminary. It is thought that the presence of a large number of senior international bankers at the IMF meeting in Washington will allow the credit to take on a concrete shape.

Until recently bankers have been almost unanimously pessimistic about Yugoslavia's ability to raise all the funds it needs both because of bank lending limit problems and the poor performance of the country's economy. Some now suggest, however, that the economy may be in better shape than previously thought.

In particular increased workers' remittances from abroad and tourism receipts are thought to have led to a marked increase in foreign exchange reserves, which fell sharply following the death of President Tito last spring.

Meanwhile, international bankers hope Friday's military coup in Turkey may lead to a more stable environment for the country's ravaged economy. Until the dust settles, however, some feel that planned discussions on a new debt rescheduling may have to be delayed.

Elsewhere, in the absence of any other major financing operations by top rated Western European countries, bankers are beginning to speculate on the possibility of a major credit for Swedish Petroleum, which recently agreed in principle to acquire 70 per cent of Kaiser Resources' share in three British North Sea oil licences. The agreement involves an undertaking to finance 15.4 per cent of the Brae Field development.

It has already been reported from Stockholm that the company's total financing requirement for this deal is around $300m, and, given the continuing demand for Swedish assets, any credit of this amount with a Swedish Government guarantee would be bound to attract strong interest.

Earlier this year the Kingdom of Sweden raised an $850m jumbo Eurocredit with a margin of ⅜ per cent for four years rising to ½ per cent for the remaining four. Scandinavian bankers report, however, that private sector Swedish borrowers can now command margins of only ½ per cent over five years on unpublicised "one-bank" credits.

Such a financing usually also brings in collateral business for the lending bank, which can raise its overall return from the borrower substantially, but more important, bankers say, is the fact that the very existence of these deals implies that there is room for some further easing of conditions on larger syndicated public sector Swedish borrowings.

More details should be revealed this week on South Africa's forthcoming $250m Eurocredit. It is now confirmed that the margins on the operation will be set on a split ⅞-1 per cent basis and the lead managers are forming a small second-tier group of managers.

News last week that Sr. Hernan Oyarzabal had resigned as Venezuela's director of public credit and had been replaced by Sr. Carlos Zubillaga, formerly head of international banking relations at the Banco del Lara group, raised doubts among many bankers over the extent to which Venezuela would really be able to overcome the short-term debt problems of public agencies.

Officials in Caracas say that Sr. Zubillaga will continue his predecessor's efforts to reduce these agencies' reliance on short-term financing, but given the continuing congressional restrictions on longer-term public sector borrowing dramatic progress on this front does not appear likely.

Meanwhile, another short-term mandate emerged last week for Shearson Loeb Rhoades. It is to raise $300m over one year for Corporacion Venezolana de Fomento at a margin over Libor of ⅝ per cent with front end fees of ½.

Bank of America has joined the lead management group of the $150m credit for Siderbras bringing the numbers in the group up to eight. Final details of the sell-down should be known early this week.

U.S. BONDS

BY PAUL BETTS

Waiting for clues from the Fed

LIKE WAITING for Godot, the U.S. bond market, confused and disheartened by conflicting signals on the state of the economy, continuing high inflation, depressed bond prices and climbing short-term interest rates, was waiting with some apprehension the Federal Reserve's Open Market Committee meeting tomorrow.

At this meeting, the Fed will review its current day-to-day management policies for the money markets. And although its decision will not be disclosed until much later, Wall Street will be looking for clues of any changes in Fed policies.

In particular, the market's fears that the Fed, anxious to moderate the recent bulge in the monetary aggregates at a time when the decline in real GNP appears to have been arrested, might decide to squeeze credit further. As things went last week, the market got little cheer from indications of a rebound in business activity — reflected in higher than expected August retail sales figures and some unwinding of inventories — a warning by Mr. Paul Volker, the Fed chairman, that inflation would continue to run on a GNP deflated basis at a rate of 9 to 10 per cent, and the latest weekly money supply figures.

While the increase on $1.5bn in M1-B — one of the closely watched measures of the money supply — in the week ended September 3 was not unusually large, it nonetheless comes when declines are deemed necessary if the Fed is to meet its current targets.

Report of the increase in M1-B and M1-A came shortly after some 30 U.S. banks further edged up their prime lending rates on Friday by ½ point to 12½ per cent, reflecting in turn the recent upward pressures on short-term interest rates. All this combined to send bond prices further down and short interest rates up.

High interest yields appear to have put off large corporate borrowers from the long-term debt market, at least for the time being. Indeed, American Telephone and Telegraph, the largest participant in the long-term debt market, said this week it was cutting its recourse to outside financing this year, while General Motors, known to have been contemplating to go to the market with its first ever bond issue, has so far shown no inclination to make the long awaited move.

Although some traders were predicting at the weekend that short-term interest rates would probably continue to decline, a number of economists took a more cautious view.

U.S. INTEREST RATES (%)

	Week to Sept. 12	Week to Sept. 5
Fed Funds wkly. average	10.37	10.02
3-month Treas. Bill	10.20	10.02
3-month prime CDs	11.00	10.70
30-year Treas. bond	11.11	10.95
Lng-term AAA Utility	12.50	12.25
Lng-term AA Industrl	12.25	12.00

Source Salomon Brothers estimates.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit. Oxygen F. 10¾ 90	50	85¾	85⅞	−0⅛	−0¼	13.68
CECA 11½ 88	100	95¼	95¾	−0⅛	0	12.41
Citicorp O/S Fin. 10 86	300	90⅞	91⅛	−0⅛	+0¼	12.20
Con. Illinois O/S 9¾ 86	150	89¼	89¾	−0⅛	0	12.40
Denmark 11¾ 90	100	93½	93¾	−0⅛	−0¼	12.96
Dome Petroleum 13½ 92	50	101⅜	101⅞	−0⅛	+0¼	13.19
EEC 11 95	75	87⅞	88⅜	−0⅛	−0⅜	12.81
EEC 11 95	70	87¾	88½	−0⅛	−0¼	12.81
EIB 11¾ 92	80	91¾	92	+0¼	−0⅛	13.78
EIB 13¾ 90	100	103½	103⅞	−0⅛	+0¼	13.08
Eksportfinans 11¼ 87	50	95½	96	−0¼	+0¼	12.22
Eksportfinans 9½ 87	75	87¼	87¾	+0¼	+0⅝	12.32
Elec. de France 10 88	125	88¾	89¼	0	−0¼	12.25
Export Dv. Cpn. 12¾ 87	100	101⅝	102⅛	−0⅛	+0⅛	12.29
Export Dv. Cpn. 9½ 86	150	90¼	90¾	−0¼	−0⅛	11.98
Federal Dev. Bk. 12¼ 85	75	100¼	100¾	−0⅛	−0½	12.06
Fin. Exp. Credit 10½ 86	80	92⅞	93⅜	−0¼	+0⅞	12.46
Finland Rep. of 9½ 86	100	87¾	88¼	−0⅛	+0⅜	12.65
Ford O/S Fin. 12⅛ 85	250	97¾	98¼	−0⅛	−0⅜	13.17
George Weston 13½ 87	30	†100	100½	0	−0¼	13.40
GMAC O/S Fin. 11 84	100	96⅛	96⅝	−0⅛	0	12.10
GMAC O/S Fin. 13⅜ 85	100	102¾	103¼	−0⅛	−0¼	12.42
Goodyear O/S 12½ 87	75	98	98½	−0⅛	0	12.87
Hudson's Bay 11½ 90	75	93⅛	93⅝	−0⅛	+0½	12.70
IBM Canada 10½ 85	50	95½	96	−0⅛	−0⅜	11.68
ICI Fin. Ned. 11 83	100	97¾	98¼	−0⅛	−0⅛	11.90
Int. Harvester 12¾ 85	115	98¾	99¼	−0⅛	0	13.05
McGraw 13½ 85	75	100¼	100¾	−0⅛	−0⅛	13.33
NorWest Ind. 13⅝ 87	50	100	100½	−0⅛	0	13.52
Nova Scotia 10¾ 90	50	91¾	92¼	0	0	12.17
OKB 10 85	50	93⅛	93⅝	−0⅛	−0⅛	11.88
Pembroke Capital 9⅝ 87	100	†87¼	88¼	−0⅛	−0⅛	12.30
Pemex 11½ 88	100	93	93½	0	+0⅛	12.90
Quebec Hydro 11½ 92	100	91¾	92¼	−0⅛	+0⅛	12.83
Rapsteel O/S 11½ 88	100	87⅞	88⅜	−0⅛	−0⅛	14.08
Roylease Ltd. 11¾ 85	50	96⅞	97⅜	0	+0½	12.05
SNCF 12⅜ 85	50	100⅞	101⅜	0	†0	12.00
Swed. Ex. Cred. 12½ 85	40	†100¾	101¼	0	−0⅛	12.12
UB Finance BV 11 90	50	88½	89	0	−0⅛	13.08
Unilever NV 9¾ 90	100	86⅜	86⅞	+0⅛	+1¼	12.14
World Bank 9¾ 85	200	91¾	92¼	−0⅛	+0¼	12.03
World Bank 10¼ 87	300	91⅝	92⅛	0	+0⅛	12.05
Average price changes... On day −0⅛ on week 0						

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Akzo 9 90	125	100⅞	101⅞	−0¼	−0⅞	8.77
Australia 8½ 90	250	100⅝	101⅜	+0½	+0½	7.98
BFCE 7¾ 87	100	97¼	98	0	−0½	8.23
BFCE 8⅛ 95	100	97¾	98¾	−0⅛	−1⅛	8.33
Brazil 8 87	150	88¾	89¼	−0½	−1⅛	10.30
Council of Eur. 7¾ 89	100	93¾	94¼	0	−0⅛	8.24
Denmark 7¾ 86	100	98⅛	98⅞	0	−0⅛	8.21
Denmark 8¼ 92	100	99⅛	99⅞	0	0	8.31
EEC 7⅞ 94	225	96¾	97½	−0⅛	−0⅛	8.27
Finland Rep. of 8 88	150	98½	99	−0¼	−0⅛	8.28
Iberduero SA 9 90	100	99¾	100¼	0	+0¼	9.03
Kobe, City of 7⅛ 89	150	94½	94⅞	−0¼	−0⅛	8.00
Kobe, City of 8 90	100	99⅞	100⅜	−0⅛	+0⅛	7.97
Mt. Bk. Denmark 8½ 90	150	98⅞	99⅜	−0⅛	−0½	8.61
Norway 7½ 85	250	99⅜	99⅞	−0¼	+0⅛	7.62
OKB 7⅞ 89	100	94¾	95⅛	0	0	8.18
OKB 9¼ 92	150	99	99¼	−0⅛	−0⅛	8.33
Oslo, City of 8¾ 90	80	102¾	103¼	+0¼	+0¼	8.27
Sweden 9¾ 87	200	106½	107¼	−0⅛	+0⅞	8.33
World Bank 8 90	700	98⅛	98⅞	0	−0½	8.22
World Bank 7⅞ 90	250	96⅝	97⅛	−0⅛	−0⅜	8.34
World Bank 10 86	150	106½	107¼	0	−0⅛	8.40
World Bank 10 90	200	109¼	110	−0½	−0⅛	8.48
Average price changes... On day 0 on week −0¼						

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria Rep. of 5¾ 90	100	98	98½	+0¼	−0½	5.61
Bergen, City of 4¾ 91	40	†91½	92	−0⅛	−1⅛	5.79
Bergen, City of 6 90	50	102	102½	0	−0¼	5.69
BMW Overseas 4¾ 91	100	90½	91	+0⅛	−2⅛	5.38
Buhrm'n-Tetterode 7 90	40	104¾	105¼	+0¼	+0⅛	6.29
Caisse Nat. Tele. 4¾ 89	100	92⅞	93⅜	−0⅛	−1⅛	5.36
Copenhagen 4½ 91	60	86¾	86¼	−0⅛	−1¼	6.30
Council of Eur. 5 89	100	95	95½	+0½	0	5.67
Denmark 5¾ 90	80	99⅛	99⅞	−0½	−0⅛	5.80
EIB 4¾ 94	100	84½	85	+0¼	−0½	6.02
Elet. de France 4¾ 89	100	92¾	93¼	0	−0⅛	5.31
F. G. H. Hypo. Bk. 6 90	50	†102¾	103¼	0	−0¼	5.59
Finland Rep. of 5⅛ 90	80	94	94½	0	−0⅞	6.42
GZB 4¼ 89	100	86½	87	+0⅛	−2	6.19
Hilti 4½ 91	35	†91	92	−0½	−1⅛	5.28
Int.-Amer. Dev. 4½ 89	100	91½	92	+0⅛	−0⅛	5.71
Int.-Amer. Dev. 7 90	80	105½	106	+0⅛	−0⅞	6.18
Jutland Tele. 5½ 90	50	98½	99	+0⅞	−1	5.67
Malaysia 5 89	80	†88	89	+0¼	−1⅛	6.73
Newag 5⅜ 90	80	101⅜	101⅞	+0¼	−0⅛	5.53
Nippon Tel. & T. 4¼ 89	100	†93½	94	+0⅞	−0⅞	5.13
Norges Komm. 4½ 91	100	87¾	88¼	−0⅛	−1⅛	5.88
OKB 4¾ 91	100	†88¾	89	−0⅛	−0⅞	5.78
OKB 6 90	100	103⅜	103⅞	+0⅛	−0⅛	5.60
Oslo, City of 4½ 91	100	87½	88	+0⅛	−1½	5.91
Philips Lamps 5¾ 92	100	98¾	99¼	+0⅛	−0⅛	5.31
Sekisui Pre. Hms. 6 90	80	103⅛	103⅝	0	−0⅛	5.54
Shikoku El. Pwr. 4¾ 89	100	93¾	93⅞	−0½	−1¼	5.70
World Bank 4¾ 89	150	†88½	89	−0⅛	−2¼	6.03
World Bank 4¾ 91	100	88¾	89¼	−0⅛	−1⅞	6.00
Average price changes... On day +0⅛ on week −1						

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 6.6 83	30	91⅞	92⅜	−0⅛	0	8.71
Australia 6½ 88	20	87¾	88⅜	−0¼	−0⅛	8.69
EIB 7¾ 89	12	96⅜	97⅜	−0⅛	−0⅛	8.23
Finland 6.6 83	10	91	92	0	+0⅛	8.81
Finland 6.8 88	10	87¾	88⅛	+0⅛	+0⅛	9.00
Finland, Rep. of 8⅛ 87	15	97¾	98½	+0⅛	+0¼	8.79
Average price changes... On day −0⅛ on week 0						

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	60	92⅝	93⅛	0	−0¼	12.46
CIBC 13½ 85 C$	50	99⅞	100⅜	−0⅛	−0⅛	13.41
CIBC 11½ 85 C$	80	95⅛	95⅞	−0⅛	−0⅛	12.74
Federal Dev. 11½ 90 C$	60	89⅜	89⅞	−0⅛	−0⅛	13.44
Fst. Can. Inv. 10 84 C$	50	90⅞	92⅛	+0¼	−0¼	13.01
GMAC 12 85 C$	50	†95½	96	−1	−1¼	13.22
R. Bk. Canada 10 86 C$	40	91¼	91¾	−0⅛	−0¼	12.13
Tordom Cpn. 13½ 85 C$	30	100¼	100¾	+0⅛	−0¼	13.33
M. Bk. Dnmk. 9 91 EUA	25	94	95¼	0	0	9.80
SOFTE 8¾ 89 EUA	40	88¾	89¾	0	+0⅛	10.17
U. Bk. Nrwy 9½ 90 EUA	18	99⅝	100½	0	+0⅛	9.50
Algemene Bk. 9¾ 84 Fl	75	95½	96	−0⅛	−0⅛	9.58
Algemene Bk. 10¼ 87 Fl	400	99½	100	−0⅛	−0⅜	10.29
Bk. Mees & H. 10 85 Fl	75	99¾	100¼	−0⅛	−1⅛	9.99
Heineken NV 10 87 Fl	75	99½	100	−0⅛	−1⅛	10.04
Norway 8⅛ 84 Fl	100	96	96½	−0⅛	−0⅛	9.40
Philips Lamps 8¾ 84 Fl	75	95¼	96¼	−0⅛	−0⅛	9.68
Aero Paris 13¾ 87 FFr	150	99⅝	100⅛	−0⅛	−0¼	13.11
Air France 11 84 FFr	120	96⅞	97⅞	0	0	12.11
CECA 14¼ 86 FFr	150	105¼	106⅛	+0⅛	−0⅞	12.66
Finland 11 84 FFr	80	93⅜	94⅜	0	−0⅛	13.00
Finland 11½ 89 FFr	70	92⅞	93⅞	0	−0⅛	12.78
Gaz de France 11 84 FFr	150	95¾	96¾	0	−0⅛	12.35
IBM France 11⅞ 84 FFr	120	95¼	96¼	0	−0¼	13.18
Renault 9¾ 85 FFr	100	88	89	0	−0⅛	13.09
Solvay et Cie 9¾ 87 FFr	125	84¾	85¾	+0⅞	0	13.20
Utd. Mex Sts. 14 85 FFr	150	100¼	101½	0	+0⅛	13.65
Beneficial Fin. 14½ 90 £	20	99	99½	−0¼	+0½	14.33
Citicorp O/S 13½ 90 £	50	98¼	98¾	+0⅛	−0⅛	13.70
EIB 11½ 91 £	25	89½	90¼	−0⅛	+1⅛	13.30
Fin. for Ind. 12¾ 89 £	30	94⅞	95⅞	−0⅛	−0⅛	13.40
Fin. for Ind. 14¼ 88 £	20	101⅜	102½	−0⅛	0	14.05
Gen. Elec. Co. 12½ 89 £	50	95½	96½	−0¼	+0½	13.25
Peugeot SA 14 90 £	23	98⅜	98⅞	−0⅞	−0⅛	14.27
Rothschild 14¼ 90 £	12	99½	100	−0⅛	+0⅛	14.31
Swed. Ex. Cr. 15¼ 85 £	20	102¾	103½	−0⅛	+0⅛	14.20
Banobras 8¾ 90 KD	7	†93	93½	0	0	9.33
CCCE 8¾ 91 KD	10	†94	94½	0	0	8.98
Sonatrach 8½ 90 KD	12	†92	92½	0	0	9.77
Akzo 9¾ 87 LuxFr	500	93½	94½	+0¼	−1¼	10.56
Euratom 8 87 LuxFr	500	87⅞	88⅞	0	−0½	10.53
Euratom 9¾ 88 LuxFr	500	97	98	0	0	10.23
EIB 9¾ 88 LuxFr	600	97½	98½	0	−0⅛	10.05
Volvo 9¾ 87 LuxFr	500	96⅛	97⅛	0	+0¼	10.42

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn.	C.yld
Allied Irish Bk. 5¼ 87	0¼	98	98½	2/1	10.44	10.62
Bank of Ireland 5¼ 89	‡0¼	97⅞	98⅜	21/11	11⅜	11.59
Bank of Tokyo 5¼ 89	‡0¼	97	97½	25/10	9¼	9.51
Barclays O/S Inv. 5 90	0¼	97½	98	13/12	9¾	9.85
Bergen Bk. A/S 6 89	‡0¼	97½	98	29/11	12¼	12.53
Bilbao Int. NV 5¾ 90	0¼	96¾	97½	29/11	10.06	10.36
Citicorp O/S F. 83	§‡0	99⅛	99¾	23/11	11.44	11.49
Citicorp O/S F. 84	‡0	98¾	99¼	30/9	11.94	12.06
C. Itoh 5⅛ 87	0⅛	99⅞	99⅜	18/9	19.44	19.54
Co-operative Bk. 6 86	0¼	98⅛	98⅝	15/11	11.44	11.63
Creditanstalt 5½ 91	§‡0¼	97⅞	98⅜	14/9	9.44	9.62
CNT 5¼ 86	§0¼	99⅞	100⅛	16/10	18⅛	18.10
GZB 5½ 89	‡0¼	98⅜	98⅞	1/11	9.81	9.95
Jugobanka 8 89	0⅞	91½	93½	23/11	11¾	12.57
Ind. Bank Japan 5¼ 87	0¼	99½	100	15/10	18¾	18.80
Lloyds Eurofin 8 90 £	0¼	96⅝	97⅛	3/1	15¾	16.26
LTCB Japan 5¼ 86	0¼	98¾	98⅞	13/12	9¾	9.76
LTCB Japan 5½ 89	0¼	97⅞	98⅜	7/12	10⅛	10.32
Mfrs. Han. O/S 5¼ 94	‡0⅛	97¾	98¼	30/11	12⅛	12.37
Midland Intl. Fin. 5 89	0¼	97¾	98¼	20/12	9½	9.69
Midland Intl. Fin. 5¼ 92	0¼	97¾	98¼	5/12	10⅞	11.10
Nacional Fin. 6¼ 86	0¼	97¾	98¼	25/1	9.69	9.90
Nat West 5¼ 94	§0¼	99	99½	11/10	18⅝	18.77
Nippon Credit 6½ 86	0¼	97½	98	12/1	9.56	9.78
Nippon Credit 5¼ 87	‡0¼	98¼	98¾	6/11	10⅞	11.04
Royal Bk. Scot. 5¼ 94	§‡0¼	98½	99	11/10	9.31	9.43
Soc. C. de Bque. 6½ 87	0¼	98¾	99¼	3/10	20.06	20.27
Standard Chart. 5¼ 90	0¼	99½	100	6/9	17¼	17.29
Svenska Hndlsbk. 5 87	0¼	98	98½	15/1	10	10.18
Sweden 6⅛ 91	‡0¼	†96⅛	96⅝	18/10	9.56	9.91
Williams & Glyn 5¼ 91	0¼	98⅝	99⅛	14/9	18½	18.69
Bq. S. d'Alg. 4¼ 89 SF	0¼	†89	90	18/12	6⅛	6.84
Average price changes... On day 0 on week +0¼						

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 89	10/79	145	†118	119	−1	−5.49
Ajinomoto 7¾ 95	2/80	615.5	123½	124½	+1⅛	−1.00
Alco Int. Fin. 9½ 94	1/80	40	93¼	94½	−0⅛	13.79
Apache f. Fin. 8¾ 95	12/80	21.12	131	132¼	+3¼	−6.54
Becker Energy 8¾ 95	1/81	21.87	108½	109½	+9¾	−3.66
Canon 6¾ 94	8/79	570	114⅞	115⅞	+0¼	0.10
Credit Suisse 4¾ 93	10/79	1278	114¾	116¼	+1	−2.42
Daiei Inc. 6½ 94	11/79	927.3	97¼	98¼	0	21.83
DDKK 11 90	4/80	324	105	106	+0⅛	16.47
Dynalectron 9½ 95	8/80	12.22	114	116	+1	1.25
Ensearch Fin. 9½ 94	7/80	30.25	131½	132½	+0½	−1.70
INA Overseas 8¾ 2000	4/81	42	98½	99½	+0¼	4.60
Inchcape Ltd. 8 95	2/81	4.55	107½	108¾	+0⅛	−0.44
Meidensha Elec. 7 94	12/79	210	108¼	109½	+3⅛	1.91
MEPC 8¼ 96	2/81	2.47	111½	112½	+1⅛	8.45
Mitsubishi Cp. 6½ 94	10/78	549.1	132½	134	+1⅞	−0.58
Ricoh 6¾ 95	8/80	604	102½	103½	+0¼	3.07
SBC 6¾ 90	9/80	200	100¼	101¾	+1½	4.97
Toshiba Cpn. 7¾ 94	10/79	198	110	111	+1¼	0.62
Union Bk. Switz. 5 89	2/80	121.4	99½	100	−0⅛	−0.24
Fujitsu 5 84 DM	7/79	475	111½	112¼	+1¼	1.68
Sharp Corp. 6½ 88 DM	9/80	595	108⅝	109⅜	+1⅛	2.81
Uny Co. 6½ 85 DM	11/79	1071	86¼	87	−0⅛	22.28

BONDTRADE INDEX AND YIELD

	Medium term		Long term	
Sept 12...	90.90	10.28	78.33	11.93
Sept 5 ...	na	na	na	na
High '80...	93.58	(18/6)	89.19	(2/1)
Low '80...	86.32	(2/4)	71.54	(29/2)

EUROBOND TURNOVER
(nominal value in $m)

U.S. $ bonds	Cedel	Euroclear
Last week	1,730.7	2,194.9
Previous week	983.7	2,912.9
Other bonds		
Last week	587.2	319.9
Previous week	273.4	396.5

* No information available—previous day's price.

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most reecnt price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Arab Company for Trading Securities SAK; Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bankers Trust International; Bondtrade; Credit Commercial de France (Secs.) London; Citicorp International Bank; Daiwa Europe NV; Deltec Trading Company; Dillon, Read Overseas Corporation; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nesbitt Thomson; Orion Bank; Salomon Brothers International; Samuel Montagu and Co., Scandinavian Bank; Strauss Turnbull Ltd.; Sumitomo Finance International; S. G. Warburg and Co.; Wood Gundy.

Closing prices on September 12

INSURANCE

Wide disfavour of sick pay plan

BY ERIC SHORT

THE GOVERNMENT'S proposals to make the employer instead of the social security system pay the first eight weeks' sickness pay have run into considerable opposition. Should it proceed with the proposals, employers may have to contemplate sickness insurance schemes for their employees.

A Green Paper published in May stated the Government's intentions. These were that when an employee fell ill, instead of him claiming sickness benefits from the State, he would receive sick pay from his employer at a legally fixed minimum rate for the first eight weeks off work.

In return the employer would pay a lower National Insurance contribution rate.

The Green Paper envisaged the minimum sickness payment to be £30 a week at current benefit levels, with a half percentage point reduction in NI contributions. The bene,t proposed represents average weekly sickness benefit payment,, and the NI contribution reduction represents the break-even point between sickness payments and insurance contributions.

The reasons put forward for these changes were many. First, there would be considerable saving of administration cost at the Department of Health and Social Security. More than 97 per centof sickness claims are of less than eight weeks' duration. Employers already have administration systems for paying salaries and wages and the Government envisaged that extension of theseto continue a salary or wage level when the employee was sick would be minimal.

Second, it would make it easier for the Government to implement its proposals to tax short-term social security benefits. These sickness benefit payments would readily fall within the scope of the PAYE system and tax would be deducted at source if necessary.

Third, the Government felt that the introduction of a universal system such as this would encourage employers to set up sick pay schemes that would pay benefits above the proposed statutory minimum.

On the face of it these reasons sound logical. However, the proposals would make two fundamental changes to the existing system.

Benefit levels for sickness would no longer be related to the employee's marital status or the size of his family. Thus employees with large families would get less under the new system than under the existing social security set-up.

But the unions also attack the bring. The movement is opposed scheme for the changes it would to the employee with the large family getting less when sick than he does under the present system. Families on low incomes will merely be further burdened in times of trouble, it is claimed.

The other change is related to the risk carried by employers. Under the old system all employers carry the cost of sickness through the National Insurance contributions — following normal insurance practice. Now the idea is that each employer carries the sicknes risk of his own workforce. The contribution abatement is only an average reduction. Companies with heavy sickness experience will under these proposals pay out more overall, while companies with light sickness will benefit financially.

Hardly anyone favours the changes, according to the evidence made public so far. The trade union movement has attacked the principle of the scheme which it says would completely undermine the social security system.

Employers are certain that the changeover would involve considerable extra expense in changing the administration systems.

The British Medical Association is opposed to the scheme on ethical grounds. The Green Paper envisaged that doctors would automatically supply a medical certificate to employers when employees fell sick. This the BMA considered was a breach of confidentiality between doctor and patient.

Whatever the outcome, more employers are giving consideration to setting up short-term sick pay schemes. Should the Government make the change in spite of the opposition, sickness insurance will help spread the cost burden between companies and between successive trading years. Companies with heavy sickness experience are likely, however, to be charged higher premiums than those with good sickness records.

Even if the proposals are abandoned, there are considerable tax advantages for employers who take out such insurance schemes. Companies who make up the employees' net earnings at present still have to pay National Insurance contributions, though the employee is not working. With a properly written sickness insurance scheme this burden is removed, and generous employers are not penalised.

APPOINTMENTS

Changes at Peat, Marwick, Mitchell

PEAT MARWICK MITCHELL AND CO states that on September 30 Sir Henry Peat, Mr. R. Leng-Smith, Mr. W. J. Musson and Mr. R. H. L. Humphries will retire. Mr. K. M. R. Foster, Mr. C. G. Hermon-Taylor and Mr. W. M. Tannett, in London; Mr. R. J. Archer, Mr. T. A. E. Brookes and Mr. J. G. I. Moore, in Birmingham; Mr. D. M. Portlock, in Leeds; Mr. V. G. W. Powell, in Sheffield; and Mr. B. Jones, in Swansea, will be admitted to partnership on October 1.

★

Mr. D. E. Wilde, Mrs. B. M. Anderson, Mr. T. K. Day, Mr. W. J. Douie, Mr. P. F. Doye, Mr. R. A. Good, Mr. M. J. Harper, Mr. G. A. Naggar, Mr. D. W. Parish, Mr. G. L. W. Ritchie, Mr. R. W. Seabrook and Mr. K. H. Thompson have been appointed to the Board of CHARTERHOUSE JAPHET.

★

Following the acquisition of the air and surface forwarding operations in the UK of PIE Transport Inc. from its U.S. parent company, the TKM FORWARDING GROUP has completed a major restructuring of its operating companies. Mr. Denis Taylor, who was managing director of BCT, is now managing director of TKM Air Services and of TKM International Freight. Also on the Board of the two new companies is Mr. Keith Clark, financial director of TKM Forwarding Group. Other directors of TKM International Freight are Mr. Fred W. Pedrick, in charge of all overseas operations, including import and export traffic. Mr. Edward Swift, previously manager of PIE's Liverpool office, has been appointed director with responsibility for deep sea operations and development in the North of England, based in Liverpool. Mr. Frank Cox has been appointed director in charge of warehousing and transport, and Mr. John O'Rourke, director responsible for European import and export traffic operations. Mr. Tom Beels, previously managing director of BCT, has been appointed managing director of Bermuda Forwarders (Europe). Finally, Mr. Harry Longley, previously UK general manager of PIE, has been appointed a director of TKM Forwarding Group.

★

Mr. C. K. R. Nunneley has been appointed a director of the UNITED STATES AND GENERAL TRUST CORPORATION.

★

Following the death of its former public affairs adviser, Mr. M. L. H. King, IMPERIAL GROUP states that Sir Robin Haydon, in addition to his duties as a non-executive member of the group board, will assume responsibility for group public affairs.

★

On March 31, 1981, Mr. E. A. W. Paterson, president of SUN ALLIANCE INSURANCE COMPANY and Group manager for Canada, will retire. He will be succeeded by Mr. J. W. Evans, senior vice president and deputy manager for Canada.

★

Mr. Martin R. David has been appointed managing director of battery manufacturers SAFT (UK), part of the French CGE group. He joins the company from Carborundum, France, where he was chairman and managing director.

★

R. GREEN PROPERTIES has appointed Mr. Donald J. Edmonds a director.

★

Mr. John D. Paul has been appointed to the Board of EDWARD BAKER HOLDINGS following the retirement of Mr. Kenneth W. Baker.

★

TEC (UK) has made the following appointments: in the Preston office Mr. John Cherry has been appointed sales training director, while at head office in Dawlish Mr. Michael Stubbs has been made financial controller.

★

Mr. Vikram Lall has been appointed a non-executive director of CHRISTIAN SALVESEN (OIL SERVICES), Aberdeen-based oil servicing division of the Christian Salvesen Group.

★

MK ELECTRIC has appointed Mr. Ray Wigg as director-international operations.

★

Mr. James McAinsh has been appointed assistant director of the BRITISH LINEN BANK with responsibility for lending and acceptance credit funds. He was previously a district manager of Bank of Scotland.

★

HY-TEN REINFORCEMENT CO. has appointed Mr. Ray B. Fellows to its main board as managing director. He will also be managing director of all the associated companies.

★

Mr. Peter J. Thurbin, a joint managing director of Brown, Shipley and Co., has been appointed a director of BROWN SHIPLEY HOLDINGS.

★

Mr. John Hereford has been apopinted executive director of LONDON HOTELS, the operating company for Securicor's hotels.

★

Mr. Colin Redman has been appointed chief actuary of ZURICH LIFE ASSURANCE COMPANY from October 1.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TODAY

COMPANY MEETINGS—
Associated Tooling, 116, Pall Mall W. 12.00
Mann Egerton, 5, Prince of Wales Rd., Norwich 10.30
Nova (Jersey) Knitwear, Marcol House, 289-293, Regent St., W. 11.30

BOARD MEETINGS—
Finals:
Chambers and Fargus
Jentique
Link House Publications
Interims:
Bifurcated Engng.
Cory (Horace)
Federated Land
Fisher (James)
Leadenhall Sterling
Low and Bonar
Pittard
Richards and Wallington
Simon Engng.
Travis and Arnold

DIVIDEND & INTEREST PAYMENTS—
BICC Db. 3¼ 3½pc
Berwick Timpo 4p
Border and Southern Stockholders Tst. Db. 2½pc
British Guiana 5pc 1980-85 2½pc
Bullough 4.2p
Continental Grp. 60cts
Cummins Engine 45cts
Dalgety Db. 3¼pc
Dana Corp. 40cts
Edinburgh Inv. Tst. 3.15pcPfd. 1.575pc
Funding Ln. 6pc 1993 3pc
General Motors Corp. BDRs 3cts
Gestetner Ord. and A 2.5p
Greater London 7¼pc 1981 3⅞pc
Honeywell Inc. 75cts
Hutton (E. F.) 20cts
Idris Hydraulic Tin 3p
London County 5½pc 1977-81 2¾pc
Lucas Industries Ln. 3⅞pc
ML Higgs 5p
Monk (A.) 1.25p
Monks Inv. Tst. Db. 3⅞pc
Owens Illinois 35cts
RFD 2p
Redfearn National Glass Db. 5¼pc
Reliance 75cts
Schlesinger Gilt Fund Ptg. Pf. 0.6875p
Seagram 27.5cts
Stock Conversion and Inv. Tst. 2.625p
Stockport 12¼pc Red. 1985 6⅛pc
TRW Inc. 55cts
Tace 0.85p
Time Inc. 45cts
Treasury 9pc 1992-96 4½pc
William's and Glyns Bank Fltg. Rate Cap. Notes 1991 US$95.07
Yeomans Inv. Tst. 5p

TOMORROW

COMPANY MEETINGS—
Amalgamated Distilled Products, Caledonian Hotel, Princes St., Edinburgh, 12.00
Belhaven Brewery, Morleys Nite Spot, 100, Edminston Drive, Glasgow, 11.30
British Land, Mayfair Hotel, Berkeley St., W. 12.00
Bromsgrove Casting and Machine, Perry Hall Hotel, Bromsgrove, Worcestershire, 12.00
Downing (G.H.), North Stafford Hotel, Stoke-on-Trent, 12.15
Glove Inv. Tst., Electra House, Temple Place, Victoria Embankment, WC, 12.30
Jermyn Inv. Tst., 6/11, Agar St., WC, 12.00
Rediffusion Television, Stratton House Piccadilly, W. 10.30

BOARD MEETINGS—
Finals:
Elder Smith Goldsbrough Mort.
London Merchant Securities
Scholes (George H.)
Sirdar
Interims:
Barrow Hepburn
Blockleys
Bodycote Intnl.
Executex Clothes
Home Charm
Inveresk
Matthews (Bernard)
Ofrex
Wadkin
Watts Blake Bearne
Willis Faber

DIVIDEND & INTEREST PAYMENTS—
Agricultural Mortgage Corp. 7¼pcDb. 1991-93 3⅝pc. 9pcDb. 1979-82 4½pc. 9½pcDb. 1981-83 4¾pc. 9½pcDb. 1983-1986 4¾pc
Amalgamated Distilled Products 0.5p
Associated Tooling Inds. 2.064p
Dart Industries 50cts
New Zealand 3½pc 1981-84 1¾pc
Rothschild Inv. Tst. 9p
Treasury 14pc 1982 7pc

WEDNESDAY, SEPTEMBER 17

COMPANY MEETINGS—
Allen (W. G.) (Tipton), Station Hotel, Dudley, West Midlands, 12.00
Asam Trading, Victoria House, Vernon Place WC, 12.00
Elliott (B.), Savoy Hotel, The Strand, WC, 12.15
Hales Properties, Penns Hall Hotel, Penns Lane Walmley, Sutton Coldfield, West Midlands, 12.00
Hazlewood Foods, Empire Works, Rowditch, Derby, 12.00
Moss (Robert), Masonic Hall, 333, Banbury Rd., Oxford, 3.30
Reardon Smith, Devonshire House, Greyfriars Rd., Cardiff, 3.00
Siebe Gorman, Winchester House, 100, Old Broad St., EC, 12.30

BOARD MEETINGS—
Finals:
Australian and Intnl. Tst.
Burns-Anderson
Consolidated Gold Fields
Dalgety
Epicure
Trafford Park Estates
Westminster and Country Properties
Interims:
Bemrose
Berwick Timpo
British Mohair Spinners
Burmah Oil
Eagle Star
Expanded Metal
Law Land
Legal and General
Philcom
Rio Tinto-Zinc
Scottish European Inv.
Tricentrol
United States Debenture Corporation

DIVIDEND & INTEREST PAYMENTS—
Agricultural Mortgage Corp. Variable Bds. 11/3/83 £9.1063
Albion 0.6p
Allen (W. G.) (Tipton) 2.308p
Leumi Intnl. Inv. NV Gtd. Fltg. Rate Notes 1984 US$96.47
Wrexham and East Denbighshire Water 4.9pc (fmly. 7pc) Cons. Ord. 2.45pc. 3.5pc (fmly. 5pc) Cons. Pf. 1.75pc. 4.2pc (fmly. 6pc) Red. Pf. 1985-87 2.1pc

THURSDAY, SEPTEMBER 18

COMPANY MEETINGS—
Associated Communications, ACC House, 17, Great Cumberland Place, W. 12.00
Brady Inds., New Islington Works, Ancoats, Manchester 12.00
Braithwaite, St. Ermins Hotel, Caxton St., SW. 12.00
BB and EA, University Arms Hotel, Cambridge, 12.00
Distillers, North British Hotel Edinburgh, 12.15
Hartley Ind. Tst., 45, Hertford St., W. 12.00
Howden, 195, Scotland St., Glasgow 12.00
Jacksons Bourne End, 74, Furlong Rd., Bourne End, Buckinghamshire, 11.45
Mitchell Somers, Hyde Park Hotel, Knightsbridge, SW 12.00
Moran Tea, Sir John Lyon House, Upper Thames St., EC, 12.00
Polymark, 63 Jeddo Rd., W. 3.00
Preedy (Alfred), Burnt Tree House, Burnt Tree, Tipton, West Midlands, 5.45
Ratners (Jewellers), The Churchill Hotel, 30, Portman Sq., W. 12.00
Stewart Nairn, Winchester House, 100, Old Broad St., EC, 12.15
Trustees Corp., Winchester House 77, London Wall, EC, 12.45

BOARD MEETINGS—
Finals:
GT Japan Inv. Tst.
Second City Properties
Interims:
Baird (William)
Boddington Breweries
Booker McConnell
Brown Boveri Kent
Corinthian Holdings
Croda Intnl.
Delta Metal
Early (Charles) and Marriott (Witney)
Garton Engng.
Guest Keen and Nettlefolds
Hestair
Liverpool Daily Post and Echo
Perry (Harold)
Rowntree Macintosh
Steetley
UDS
Wilkes (James)

DIVIDEND & INTEREST PAYMENTS—
Adams and Gibbon 1.25p
East Lancashire Paper Grp. 1.66p
Hales Properties 2.5p
Phillips Patents 1p
SGB 2.3p
Vereeniging Refractories 19cts

FRIDAY, SEPTEMBER 19

COMPANY MEETINGS—
Comfort Hotels Intnl., The Rainbow Suite 99, Knightsbridge High St., W. 10.30
Hogg Robinson, The Baltic Exchange, 14-20, St. Mary Axe, EC, 12.15
Letraset, Café Royal, 68 Regent St., W. 12.15
Ransom (William), Hitchin, Hertfordshire, 2.45
Textured Jersey, Engineers Way, Wembley, Middlesex 12.00
Unitech, Great Eastern Hotel, Liverpool St., EC, 12.00

BOARD MEETINGS—
Final:
Goodman Brothersand Stockman
Interims:
Breedon and Cloud Hill Lime Works
Desoutter Brothers
European Ferries
Laporte Industries
Liberty
Molins
Standard Telephone and Cables

DIVIDEND & INTEREST PAYMENTS—
Ariel Industries 1.622p
Beales (John) Associated Ln. 3¼pc
Debenhams 4.32443p
Esselte Series A and B SKr 7
Nash (J. F.) Securities 3p
Plastic Constructions 0.836p
Ransomes Sims and Jefferies 5½pcPf. 1.925pc
Siam Commercial (Cayman) Fltg. Rate Notes due 1984 (Rep. by notes to Br.) US$103.50
Spencer (George) 4pcPf. 2pc
Stewart Nairn 0.05p
Treasury 11½pc 2001-04 5¾pc
Trustees Corp. 1.85p

SATURDAY, SEPTEMBER 20

DIVIDEND & INTEREST PAYMENTS—
Burtonwood Brewery (Forshaws) Db. 4½pc
Cameron Db. 2½ 3¼ 3½pc
M and G American and General Fund Income Units 0.5p
M and G Magnum Fund Income Units 6.5p

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Current	Chelsea Antiques Fair (0727 56069) (until Sept. 20)	Chelsea Town Hall
Current	International Printing Machinery and Allied Trades Exhibition—IPEX (021-705 6707) (until Sept. 19)	National Exhibition Centre, Birmingham
Current	MAB '80 International Menswear Fair (01-839 5041) (until Sept. 17)	Earls Court
Sept. 16-18	Ready to Wear Fashion Fair (01-637 2400)	Harrogate
Sept. 20-23	International Broadcasting Convention and Exhibition (01-240 1871)	Metropole Hall, Brighton
Sept. 23-26	London Business Show (01-647 1001)	Cunard Hotel, W8
Sept. 23-26	OQEX '80—Opencast Mining and Quarrying Exhibition (061 832 6541)	Kenilworth
Sept. 28-Oct. 1	British International Footwear Fair (01-739 2071)	Olympia

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	International Engineering Fair (01-278 0281) (until Sept. 18)	Zagreb
Current	World Fair of Photography, Photo, Cine, Audio-vision—PHOTOKINA (01-409 0956) (until Sept. 18)	Cologne
Current	International Autumn Fair (01-486 1951) (until Sept. 21)	Zagreb
Sept. 16-20	International Tunnelling Industries Exhibition and Conference—EUROTUNNEL (0727 63213)	Basle
Sept. 17-26	International Office Equipment Exhibition—SICOB (01-439 3964)	Paris
Sept. 18-23	International Exhibition for Automobile, Motor Car Workshop, Service Station and Garage Equipment—AUTOMECHANIKA (01-734 0543)	Frankfurt
Sept. 19-24	International Food Industry and Non-Food Products Exhibition—IKOFA (01-486 1951)	Munich
Sept. 21-24	Hardware Trade Show (QUOJEM) (01-439 3964)	Paris
Sept. 24-26	Automatic Testing Exhibition (02802 5226)	Paris
Sept. 29-Oct. 2	VIDCOM — International Videocommunications Market (01-499 2317)	Cannes
Sept. 30-Oct. 4	International Exhibition of Machines and Processes for the Recycling of Waste Materials (Basle 061 262020)	Basle

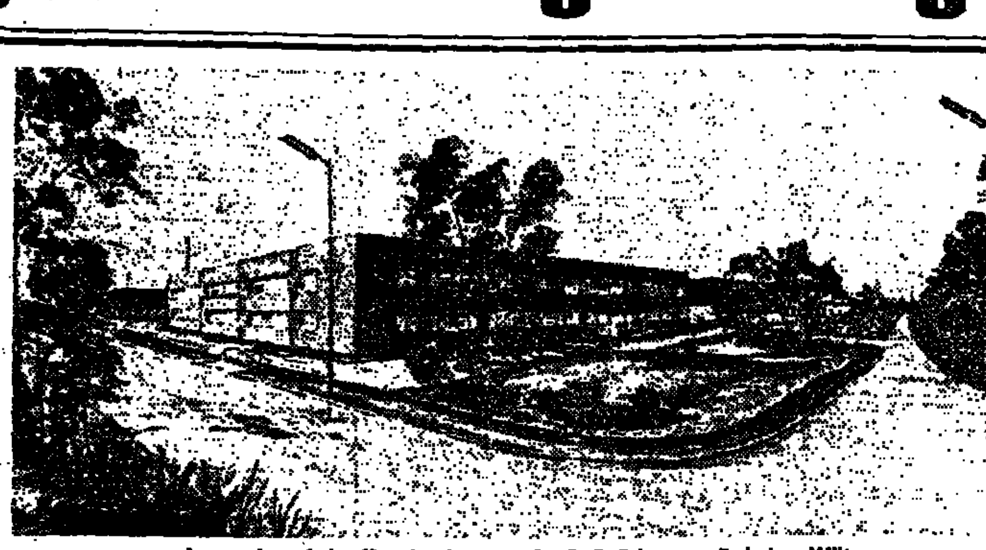
BUSINESS AND MANAGEMENT CONFERENCES

Sept. 15-16	FT Conference: Developing the Annual Company Report (01-621 1355)	Savoy Hotel, WC1
Sept. 16	The Henley Centre for Forecasting: The Demanding Consumer of the '80s (01-353 9961)	London Press Centre
Sept. 17	IPS: Successful Trading in Commodities, Money and Foreign Exchange (0990 23711)	Gt. Western Royal Hotel, W2
Sept. 22-26	IPM: Methods in Interpersonal Skills Training (029383 344)	Horsham, Sussex
Sept. 22-24	International Franchise Association: Franchising: Exporting for International Partnerships (0753 653546)	Hilton Hotel, W1
Sept. 23	College of Marketing: Innovation 1—New product search, licensing and the generation of new ideas (06285 24922)	Café Royal, W1
Sept. 24	ESC: The Profitable Exploitation of Microprocessors in Instrumentation and Control (057282 2711)	Gloucester Hotel, SW7
Sept. 24	BIM: The Goodwood Seminar—The Opportunity for Recovery: Does it exist? Can it be grasped? What should industry do? (0243 788373)	Goodwood House, West Sussex
Sept. 24	Webb Bowen: A Strategy for Industrial Peace and Progress (01-629 4953)	Pall Mall, SW1
Sept. 25-26	AMR International: It's about time management (01-262 2732)	Portman Hotel, W1
Sept. 25	Institute of Management Services: Energy Saving in Transport and Distribution (01-363 7452)	St. Ermin's Hotel, SW1
Sept. 28-Oct. 3	AMD: Export Management (Windsor 56047)	St. John's College, Oxford
Sept. 29-30	AMR International: Positive Discipline (01-262 2732)	Café Royal, W1
Sept. 29-Oct. 2	Calus: Cost Engineering (0734 861101)	St. Anne's College, Oxford
Sept. 30	College of Marketing: Innovation 2—Evaluation and acquisition of new products, processes and technologies (06285 24922)	Café Royal, W1
Sept. 30-Oct. 2	CPT: Public Transport in the Eighties Conference (01-831 7546)	Edinburgh
Oct. 1	FT Conference: Financial Futures for European Institutions (01-621 1355)	Hilton Hotel, W1
Oct. 2	CCC: Social Security Law—Timely Briefing for Non-specialist (01-222 6362)	London Int. Hotel, SW5

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

Building and Civil Engineering

Tarmac to build £8m plant



Impression of the £8m development for R. P. Scherer at Swindon, Wilts.

TARMAC CONSTRUCTION has won an £8m contract for the design and construction of what is claimed will be the most modern encapsulation plant in the world.

It is to build a single-storey processing plant in Swindon for R. P. Scherer, the U.S.-based manufacturer of soft elastic gelatin capsules for the pharmaceutical and health food industries.

Scherer, whose turnover world-wide last year was about £70m, says the Swindon project is its largest-ever single investment. As a result the UK subsdiary's capacity will be increased by two thirds and exports should be expanded.

The development comprises a single-storey processing plant of some 11,300 square metres and an administrative and laboratory block of nearly 2,300 square metres.

R. P. Scherer will be relocating to the new site completely when it is completed in the summer of 1982. At the end of that year, the existing facilities at Slough, Treforest in Mid Glamorgan and Wooburn Green in Buckinghamshire will be closed down.

The project has been sponsored by the Department of Health and the Department of Industry for a Selective Investment Grant.

Overseas orders for Robertson

LIGHTWEIGHT PROTECTED metal cladding, as well as flooring and ventilation systems, worth over £4.5m, comprises a major-export order for H. H. Robertson (UK), P.O. Box 68, Windsor House, Pepper Street, Chester (0244 315391).

Most products will be made at the company's Ellesmere Port, Cheshire, factory, and the largest single contract for cladding is worth £1.4m and is a second order from the developers of the Castle Peak Power Station in Hong Kong.

Other orders are for the Al Khobar power plant in Saudi Arabia; Sports City, Libya; Jeddah Airport terminal building; Abu Dhabi municipal garages; cobalt plant, Zambia; Jebba Hydro Electric Development, Nigeria; aircraft hangars, Algeria; Ruwais Refinery, Abu Dhabi; Hellenic Steel Mill, Greece; and the Das Island oil installation at Abu Dhabi.

Variety of work worth over £4m

WORTH about £4m, the largest of three contracts awarded to Sir Alfred McAlpine and Son (Northern) is for the design and construction of Summergrove Hostel at Hensingham, Cumbria for British Nuclear Fuels.

The hostel will comprise four bedroom blocks of three storeys each, together with a two-storey amenity building.

At York, for the British Railways Board, McAlpine is to undertake two jobs, together worth about £72,000 for concrete work and for tarmac paving while at Marchwiel, Wrexham, Clwyd, it is to carry out a contract worth over £600,000 for the Wrexham and East Denbighshire Water Company. This is for construction of a raw water reservoir which will be lined with polyethylene, the upper portion of the membrane being protected by stone filled mattresses.

£2½m shops centre near Bristol

A CONTRACT worth £2½m has been awarded by MEPC to Ernest Ireland Construction, a subsidiary of John Mowlem and Company, for work at the Yate shopping centre, north of Bristol.

The contract covers the construction of a 62,000 sq ft superstore for Tesco, ten other shops, seven two-bedroom flats and external works which will include car parking for 1,350 vehicles.

Preliminary works at the centre for the diversion of services and the creation of new service roads were completed by Lee Construction a subsidiary of Sir Robert McAlpine and Sons under a £175,000 contract.

A third contract is due to be tendered for soon for major road improvements around the site and further contracts will be awarded early in 1981 for improvements to the existing shopping centre and the construction of a central square shop unit.

The architects are Stone Toms; quantity surveyors Pritchard Williams and Hunt; structural engineers Ward and Partners, and Ferguson and Partners are service engineers.

Awards to Turriff

LARGEST OF the most recent contracts awarded to Turriff is worth £3m and is for Balerno High School for the Lothian Regional Council.

Other awards are for Croft Primary School for Walsall Metropolitan Borough (£600,000), factory units for Telford Development Corporation (£2m) and an Asda superstore and shops at Coventry for Associated Dairies of Leeds (£2m).

Housing by Finnegan

A CONTRACT valued at about £2.2m for the construction of 118 houses has been awarded to J. F. Finnegan by Milton Keynes Development Corporation. The development, at Heelands, will be based on the Frameform system of timber frame construction.

The architects are MacCormac and Jamieson, Dearle and Henderson are the quantity surveyors and Ove Arup and Associates the consulting engineers. Completion is planned for May 1982.

Putting in the pipes

INSTALLATION of 4,000 metre of welded steel pipeline at the North West Water Authority's £15m underground reservoir now being built at Prescot, Merseyside, is being carried out by William Press and Son.

The scheme comprises a storage reservoir with an integral valve chamber, treatment works and pipelines together with ancillary works. The units will be connected by welded steel pipelines varying in diameter from 800 mm to 1800 mm, the majority being 1400 mm. The reservoir will have reinforced concrete walls and floor and a precast concrete roof.

The pipeline contract was awarded by Fairclough Civil Engineering and is expected to take 18 months to install. Consulting engineers are Ward Ashcroft and Parkman.

Fairclough wins £5.5m

FAIRCLOUGH BUILDING of Surbiton in Surrey has been awarded a contract worth £5.5m to build a seven storey luxury block of apartments in St. John's Wood, London.

The architects for the project are David Landaw and Partners, the consulting engineers H. L. Waterman and Partners and the quantity surveyors. M. K. Boyden, all of London.

The apartment block is being built for London and Leeds Investments, the property division of the Ladbroke group.

The building will include penthouse apartments which will be air conditioned and inside car parking.

Construction has already started and the building is scheduled for completion in December 1981.

Speeds the calculations

THE DEVELOPMENT of both very powerful computers and very small computers has stimulated the development of software packages for civil engineering.

At the top end of the scale, the Distributed Array Processor (DAP) developed by International Computers (ICL), the UK's only mainframe manufacturer, has already attracted attention in companies specializing in the kind of complex calculations needed in the construction and offshore oil industries.

The specialist bureau Computel, jointly owned by Costain and Mowlem, has been interested in adding a DAP to its concentration of ICL computing power for some years; now Atkins Research and Development, a subsidiary of the Atkins civil engineering group has agreed in principle to collaborate with ICL on studies of a finite element analysis package which would take advantage of the DAP's processing capabilities.

The DAP is especially suited to large number-crunching tasks because of its parallel processing architecture, where the processing power is divided up or distributed in the computer memory; each element of memory has an element of processor associated with it. When the processors are instructed to function simultaneously, large calculations can be carried out at great speed.

Meanwhile, Atkins has carried out the necessary conversion work which makes it possible for its ASAS and FATJACK finite element suites, and other software for the offshore oil industry, to run on ICL's 2900 series computers under ICL's major operating system, VME/B.

The programs are all written in Fortran. ASAS is a large scale, general purpose program which provides facilities for static stress, natural frequency and heat conduction analyses.

FATJACK provides analysis facilities for offshore structures covering wind and wave loads static and dynamic response analysis and fatigue life evaluation.

At the tiny end of the market Micro Scope, a microcomputer systems builder based in Maidenhead has introduced a financial system for the building industry.

It runs on a U.S. microcomputer, the Cromemco System 3, and is essentially a sales, purchase and contracts ledger system.

According to Micro Scope, it enables a builder to break down estimated building project costs into distinct budget areas, separating out direct costs such as materials and labour.

It allows the builder to estimate the likely effect on total project costs of, for example, increases in costs of particular materials and increased labour costs.

Micro Scope has already sold three complete systems to Kelsey Roofing and the first of these is up and running. The system is called Microcost and the starting price for a complete system is about £15,000.

ICL is on 788 7272. Micro Scope is on 0628 72047.

Rail coach facilities

WORK HAS begun on a 9,050 square metre coach shed and various other smaller buildings for British Rail, Eastern Region at Crown Point, Norwich.

The £5.5m contract has been won by Balfour Beatty Construction and will also include a two-storey amenities block and external works over an area of five hectares comprising drainage, roads and paving, services, fuelling and off-loading aprons.

Homes and factories

OVER £2m worth of contracts have been won by companies in the Rawlings group.

The latter says they include awards for 41 timber-framed dwellings for Newport Borough Council and flats for Cardiff City Council. This work will be carried out by Walker Tooting.

Six advance factories are to be built at Bagillt, North Wales for the Welsh Development Agency by Norfleet Construction Company and 32 dwellings are to be built at Colne, Lancs., by Leonard Frankland (Contractors) for the Bradford and Northern Housing Association.

Electrical fittings scheme

DRIVEN BOTH by concern for the quality of electrical fittings in new houses and ambitions to extend its penetration of the new home market, MK Electric is to launch a safety campaign in the autumn.

The company makes some 60 per cent of all British Standard plugs, switches and the like used at home and abroad.

The market for electrical fittings in new houses is worth £15-20m a year, it believes, but as builders generally are given no specification for the fittings, they will use the cheapest. And there is no incentive to use devices like MK's "Sentinel" protection device with its earth leakage circuit breaker.

What MK proposes is to offer private sector developers the award of the "MK Shield of Safety" in return for specifying MK fittings to be used throughout their developments.

In return MK will provide the developer with promotional material which can be used to emphasise the quality of the electrical fitments as a positive selling point. It will also give the lucky house owner a pack of 10 MK plugs and a 10-year guarantee on its fittings.

Tenements to be refurbished

UNDER A £¾m contract, John Laing Construction is to modernise a four-storey Clydebank tenement block for the Dalmuir Park Housing Association.

The extensive rehabilitation works to the block in Scott Street, Dalmuir, involve converting 80 existing flats into 56 new units designed to accommodate one to four persons.

Alterations will include renewing joinery, installing new plumbing, heating and electrical fittings and repairing walls and ceilings. The flats will also be decorated throughout.

Work is scheduled for completion by August 1981. Architects are Cobban and Lironi and quantity surveyors are Cobb Blyth Associates.

Ready for the new regime

REFURBISHMENT of Zimbabwe House (formerly Rhodesia House) in the Strand, London, has been started by Bovis. Completion is expected by the end of this year.

Believed to be worth about £300,000, the contract involves cleaning the external stonework and minor repairs.

Internal work will include demolishing timber screens and partitions, replacing a number of doors and the redecoration of the building which has been unoccupied for about 14 years.

IN BRIEF

- Wickens and Sons has taken over the £1½m construction of 90 dwellings and external works at Datchet, Bucks., from Lowton Construction on behalf of The Royal Borough of Windsor and Maidenhead.
- The Methodist Home for the Aged has appointed Bovis Construction to extend its Liverpool home under a £450,000 contract.

COMPANY NOTICES

TORAY INDUSTRIES, INC.
7½% U.S.$ Guaranteed Notes 1984

S. G. WARBURG & CO. LTD., announce that the redemption instalment of Bonds due 15th October, 1980, for a nominal value of U.S.$3,000,000 has been met by purchases in the market.

U.S.$24,000,000 nominal amount of Bonds will remain outstanding after 15th October, 1980.

30, Gresham Street,
London, EC2P 2EB.
15th September, 1980.

AKTIEBOLAGET SVENSK EXPORTKREDIT
(Swedish Export Credit Corporation)
U.S.$ 9½% NOTES 1986

S. G. WARBURG & CO. LTD., announce that the semi-annual instalment of Bonds due for redemption 15th October, 1980, for a nominal value of U.S.$1,430,000 has been met by purchases in the market.

U.S.$17,140,000 nominal amount of Bonds will remain outstanding after 15th October, 1980.

30, Gresham Street,
London, EC2P 2EB.
15th September, 1980.

US$30,000,000 Negotiable Floating Rate Certificates of Deposit due 14th September, 1981

THE BANK OF YOKOHAMA, LIMITED LONDON

In accordance with the provisions of the Certificates, notice is hereby given that for the six months interest period from 15th September, 1980 to 16th March, 1981 the Certificates will carry an interest rate of 12⁷⁄₁₆% per annum. The relevant interest payment date will be 16th March, 1981.

Kleinwort, Benson Limited
Agent Bank

NATIONAL COAL BOARD
8¾% US$ Guaranteed Bonds 1988

S. G. WARBURG & CO. LTD. announce that the third redemption instalment of Bonds, due 15th October, 1980 for a nominal value of US$2,500,000 has been met by purchases in the market.

US$41,500,000 nominal amount of Bonds will remain outstanding after 15th October, 1980.

30, Gresham Street.
London, EC2P 2EB.
15th September, 1980.

AKTIEBOLAGET SVENSK EXPORTKREDIT
(Swedish Export Credit Corporation)
U.S. $ 7¾% NOTES 1983

S. G. WARBURG & CO. LTD., announce that the annual redemption instalment of Bonds due 15th October, 1980 for a nominal value of U.S. $1,800,000 has been met by purchases in the market.

U.S. $10,600,000 nominal amount of Bonds will remain outstanding after 15th October, 1980.

30, Gresham Street,
London EC2P 2EB.
15th September, 1980.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN NIPPON SHINPAN CO. LTD.

NOTICE IS HEREBY GIVEN that pending the payment of an interim cash dividend for the 54th term the shareholders' register will be closed for the period October 1-31, 1980, and during this period it will not be possible to register the transfer of shares withdrawn against the surrender of EDRs.

Furthermore, it has also been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from September 26, 1980.

Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.

Coupon No. 4 attached to the EDRs will be used for collection of this dividend.

CITIBANK, N.A.
London.
September 15, 1980.

WESTERN MINING CORPORATION LIMITED
9% US$ Bonds 1992

S. G. WARBURG & CO. LTD. announce that the first redemption instalment of Bonds, due 15th October, 1980 for a nominal value of US$3,125,000 has been met by purchases in the market.

US$46,875,000 nominal amount of Bonds will remain outstanding after 15th October, 1980.

30, Gresham Street,
London, EC2P 2EB.
15th September, 1980.

THE GRESHAM STREET DOLLAR FUND N.V.
(Incorporated with Limited Liability in the Netherlands Antilles)

Shareholders in the Fund are convened to attend the Extraordinary General Meeting of Shareholders to be held on 7th October, 1980 at 10.00 a.m. at the registered office of the Fund at Pietermaal 15, Willemstad, Curacao, with the following agenda:—

(1) Authorisation as required under Article IX, paragraph 3a of the Articles of Incorporation.
(2) Proposal to place the Fund in liquidation with appointment of Liquidator and keeper of the books and records of the Fund after liquidation and determination of Liquidator's fee.
(3) Instructions to Liquidator.

Shareholders may attend the Meeting either in person or by written proxy which should be deposited at the registered office of the Fund not later than 30th September, 1980.

By Order of
THE BOARD OF MANAGEMENT
Curacao.
15th September, 1980.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN MITSUI & CO. LTD., TOKYO

We are pleased to confirm that copies of the Annual Report for the year ended March 31, 1980 of Mitsui & Co. Ltd. are now available to EDR holders upon application to the following sub-depositaries:
Citibank Branches in—
Amsterdam, Brussels, Frankfort, Milan, Paris, Citibank (Luxembourg) S.A.
Kredietbank S.A. Luxembourgeoise, Luxembourg.
Bank of Tokyo Branches in:
Brussels, Dusseldorf, London, Milan, Hong Kong, Paris.

CITIBANK, N.A.
London Depositary.
September, 1980.

PUBLIC NOTICES

SEVENOAKS DISTRICT COUNCIL
£320,000 Bills offered 10.9.80 for payment 15.9.80 at 14½. Applications totalled £3.2m. No other Bills outstanding.

LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT, 1948 AND IN THE MATTER OF GRAVELEY COLD STORE LIMITED
Registered Office: 33 Cliffords Inn, Fetter Lane, London EC4A 1AH

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at 33 Cliffords Inn, Fetter Lane, London EC4A 1 AH on 14th October 1980 at 11.00 for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 8th day of September 1980.
By Order of the Board,
R. WORREY, Director.

IN THE MATTER OF THE COMPANIES ACT, 1948 AND IN THE MATTER OF OAK HOUSE FINANCE LIMITED
Registered Office: 33 Cliffords Inn, Fetter Lane, London EC4A 1AH

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at 33 Cliffords Inn, Fetter Lane, London EC4A 1AH on 7th October 1980 at 11.15 for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 27th day of August 1980.
By Order of the Board,
N. E. FURLONG, Director.

PERSONAL

IN BEREAVEMENT—Send your tribute in a form that never fades—with a donation to help old people in need. Help The Aged, Room FTB13, 32, Dover Street, London W1 7TZ.

Companies and Markets

INTL. COMPANIES & FINANCE

$1.2bn U.S. rail merger discussions called off

BY PAUL BETTS IN NEW YORK

SANTA FE INDUSTRIES and Southern Pacific abandoned at the weekend plans for a proposed $1.2bn merger which would have created one of the largest railway systems in the U.S., covering 25,000 miles.

The two companies, with combined revenues of more than $5bn last year, have so far declined to explain why they have called off the deal.

A preliminary agreement to marry the two old railway rivals of the Western United States, through an exchange of stock valued at about $1.2bn, was reached in May.

The agreement, which was to have been finalised by the end of last month, was also part of a broader move, involving several of America's largest railways, designed to rationalise and strengthen the nation's network by merging the companies into five major railways.

There has been speculation that the negotiations between Southern Pacific and Santa Fe collapsed because of Southern Pacific's intention to go ahead with a proposed $57m purchase of part of the bankrupt Rock Island Railway—once known as the Chicago Rock Island and Pacific Railway—which annually hauls between 10 and 15 per cent of the Middle West's wheat.

The Rock Island deal would give Southern Pacific a San Francisco-based company with interests also in communications and insurance, as well as a 1,000-mile long railway line between New Mexico and Kansas City.

But Santa Fe, a Chicago-based company with substantial interests in oil and natural resources, is understood to have opposed the deal because it apparently claimed the Rock Island line would duplicate one of its own lines.

At the same time, there has been pressure from some quarters to prevent the formation of a monopoly in rail transport in large areas of the western United States.

There have also been fears the merger could have led to reduced services for a number of communities.

Bendix chief quits in shake-up

BY OUR NEW YORK STAFF

BENDIX, the diversified U.S. industrial concern and a leading manufacturer of automotive components which took full control of the UK Bendix-Westinghouse company earlier this year, was shaken by a top management reshuffle at the weekend.

This follows the sudden resignation of Mr. William Panny, the company's president and chief operating officer for the past three years, after what is believed to have been a major personality clash between the chief operating officer and Mr. William Agee, Bendix's chairman and chief executive officer.

In a brief statement, Mr. Agee said: "We thank Bill Panny for his conscientious service in the three years he has been with Bendix."

Mr. Agee said that he would reassume the title of president and the responsibilities of Mr. Panny, and announced the resignation of another executive, Mr. Jerome Jacobson, an executive vice-president.

The resignation of Mr. Panny, a former group manager of the Rockwell automotive components concern, surprised some Wall Street analysts

One analyst claimed that Mr. Agee and Mr. Panny had complemented each other well at the top of Bendix. Mr. Agee, regarded essentially as a financial man, had concentrated largely on the financial side of the business, while Mr. Panny, considered as an operations man, looked after the operating side.

But Mr. Panny's dynamic and aggressive management style seemed to have caused increasing internal friction in top management and clashed with Mr. Agee's preference for decentralised management.

Indeed, Mr. Panny's resignation coincided with the announcement of a top management reorganisation at Bendix aimed at giving "greater autonomy to operating groups and intensifying the company's commitment to high technologq," according to Mr. Agee.

In the first nine months of its current financial year, Bendix reported net income of $146.3m on sales of $3.16bn.

Sharp fall in value of Reksten tankers

By Fay Gjester in Oslo

THE 12 supertankers in the fleet owned by Norway's Reksten shipping group lost nearly a third of their market value in the first half of 1980, falling to a total of NKr 850m ($177.1m) at end June from about NKr 1,178m at end 1979. This was revealed by a Reksten executive, Mr. Odd Kvaal, when the group's half-year results were published at the weekend.

In the six months, the three companies in the group—Trajan, Hadrian and Lucian—suffered a combined loss of NKr 136m, compared with a loss of NKr 171m in the same period last year. The lower deficit, despite poorer operating results and a steep rise in interest costs, reflected a NKr 36.2m profit from the sale of the group's only gas tanker, the "Lucian."

Overall operating results for the remaining ships in the fleet (all supertankers) were actually worse than a year earlier, showing a deficit of NKr 14.1m, compared with a profit of NKr 5.2m. The fall partly reflected the ending, in 1979, of a profitable long-term charter agreement. Three Reksten tankers are at present laid up, and most of the others are sailing on single voyage charters.

The group, of which Hambros Bank is a major creditor, is still operating under an agreement negotiated with creditors in 1978. This provides for the latter to roll up interest on the Reksten debts if necessary, until end-1981, as well as providing additional liquidity loans, if these are needed.

PENDING DIVIDENDS

	Date	Announcement last year
Amal Metal	Sept. 20	Int. 3.0
*APV	Sept. 25	Int. 2.8
*Armstrong Equipment	Sept. 24	Final 1.72
Assoc. Biscuit	Oct. 9	Int. 2
*Baird (Wm.)	Sept. 18	Int. 5.25
*Bank of Scotland	Sept. 23	Int. 7.25
*Barratt Devs.	Sept. 23	Final 7.355
*Barlow Hldgs.	Sept. 25	Int. 1
*Barrow Hepburn	Sept. 18	Int. 5.0
*Booker McConnell	Sept. 18	Int. 0.8
*Brown Boveri Kent	Sept. 18	Int. 1.429
*Burmah Oil	Sept. 17	Int. 1.5
*Cape Inds.	Oct. 7	Int. 3.9
Combined Eng. Stores	Oct. 5	Int. 1.49
*Cons. Gold Fields	Sept. 17	Final 10
*Croda Intl.	Sept. 18	Int. 1.5
*Dalgety	Sept. 17	Final 11.96
*Debenhams	Oct. 16	Int. 2.0411
*DRG	Sept. 22	Int. 3
*Delta Metal	Sept. 18	Int. 1.82
*Eagle Star	Sept. 17	Int. 4
Empire Stores	Oct. 10	Int. 2.4
*European Ferries	Sept. 19	Int. 1.5
*Expanded Metal	Sept. 17	Int. 2.0
Finlay (Jas.)	Oct. 9	Int. 2.75
Fisons	Sept. 24	Int. 6.895
Foseco Minsep	Oct. 1	Int. 2.65
Freemans (Lond. SW9)	Oct. 8	Int. 1.5
Glaxo	Oct. 8	Final 11
*Guest Keen	Sept. 18	Final 5.839
*Hall Engng.	Sept. 26	Int. 3.1
*Harris and Sheldon	Sept. 23	Int. 1.25
Harris Queensway	Oct. 2	Int. 4
*Howden (Alex)	Sept. 25	Int. 3.5
*Ibstock Johnsen	Oct. 3	Int. 1½
*Inveresk	Sept. 16	Int. 1.0
*Kleinwort Benson	Sept. 23	Int. 2.5
Laing (J.)	Sept. 26	Int. 1.0
*Laing Props.	Oct. 8	Int. 1.25
Laird	Sept. 15	Int. 1.7
*Laporte	Sept. 19	Int. 3.5
*Law Land	Sept. 17	Int. 0.714
*Legal & Gen.	Sept. 17	Int. 2.6
*Ldn. Merchant Securities	Sept. 16	Final 0.666
*Low and Bonar	Sept. 15	Int. 3.14
Minet	Oct. 11	Int. 2.75
Mowlem (J.)	Oct. 1	Int. 1.75
*Ofrex	Sept. 16	Int. 1.4
*Ransomes Sims & Jefferies	Sept. 22	Int. 3.14
Ready Mixed Concrete	Sept. 27	Int. 3.35
*RTZ	Sept. 17	Int. 4.5
Rockware	Sept. 12	Int. 2.33
*Rowntree Mackintosh	Sept. 18	Int. 2.5
Sears	Oct. 9	Int. 1
*Simon Eng.	Sept. 15	Int. 4.0
*STC	Sept. 19	Int. 2
*Steetley	Sept. 18	Int. 21
*Tarmac	Sept. 22	Int. 5.0
*Tricentrol	Sept. 17	Int. 2.8
*UDS	Sept. 18	Int. 2.6
*United Newspapers	Sept. 23	Int. 9.0
*Vickers	Sept. 25	Int. due
*Waterford Glass	Sept. 30	Int. 0.6
*Willis Faber	Sept. 16	Int. 3.5
*Wimpey (G.)	Sept. 25	Int. 0.75

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley 051 548 6555	13⅞	½-year	1,000	4-5
Redbridge 01 478 3020	13¼	½-year	200	5-6

BASE LENDING RATES

A.B.N. Bank	16 %	■ Hambros Bank	16 %
Allied Irish Bank	16 %	■ Hill Samuel	§16 %
American Express Bk.	16 %	C. Hoare & Co.	†16 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Henry Ansbacher	16 %	Industrial Bk. of Scot.	16½%
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbuthnot Latham	16 %	Knowsley & Co. Ltd.	18 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
Bank of Credit & Cmce.	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16½%	National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Bremar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossminster	16 %
■ Brown Shipley	16 %	Ryl. Bk. Canada (Ldn.)	16 %
Canada Perm't Trust	17 %	Schlesinger Limited	16 %
Cayzer Ltd.	16 %	E. S. Schwab	16 %
Cedar Holdings	16 %	Security Trust Co. Ltd.	17 %
■ Charterhouse Japhet	16 %	Standard Chartered	16 %
Choulartons	16 %	Trade Dev. Bank	16 %
C. E. Coates	16 %	Trustee Savings Bank	16 %
Consolidated Credits	16 %	Twentieth Century Bk.	16 %
Co-operative Bank	*16 %	United Bank of Kuwait	16 %
Corinthian Secs.	16 %	Whiteaway Laidlaw	16½%
The Cyprus Popular Bk.	16 %	Williams & Glyn's	16 %
Duncan Lawrie	16 %	Wintrust Secs. Ltd.	16 %
Eagil Trust	16 %	Yorkshire Bank	16 %
E. T. Trust Limited	16 %		
First Nat. Fin. Corp.	19 %		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	16 %		
Antony Gibbs	16 %		
Greyhound Guaranty	16 %		
Grindlays Bank	‡16 %		
■ Guinness Mahon	16 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%, 1-month deposits 14¼%.
† 7-day deposits on sums of £10,000 and under 14%, up to £25,000 14¼% and over £25,000 14½%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.

CORAL INDEX: Close 508-513 (+5)

Public Works Loan Board rates

Effective from September 6

Years	Quota loans repaid by EIP†	A‡	at maturity§	Non-quota loans A* repaid by EIP†	A‡	at maturity§
Up to 5	14	14	14	15	14⅞	14½
Over 5, up to 10	14¼	14¼	14¼	14⅝	14⅜	14⅝
Over 10, up to 15	14¼	14¼	14	14⅝	14⅝	14½
Over 15, up to 25	14	14	14	14½	14½	14½
Over 25	14	14	14	14½	14½	14½

*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payment of interest only.

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p‡	+ or —	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
¶¶	F.P.	—	260	216	Brint Invs.	250	—5	—	—	—	—
¶¶	F.P.	—	362	338	BP Restricted Trans.	362	+4	17.5	4.7	6.9	3.4
§50	F.P.	—	115	91	††BakerElectrnics10p	107	—1	b3.85	2.0	5.1	11.5
68	F.P.	8/9	90	72	Charterh'se Petrol'm	87	+1	b1.09	4.0	1.8	19.8
§58½	F.P.	—	100	72	Energy Capital (12½p)	78	.....	—	—	—	—
160	F.P.	—	153	133	††Marinex 10p	140	+2	—	—	—	—
§c1	F.P.	—	71	56	†Shackleton Petrol.	69	.....	—	—	—	—
§57	F.P.	—	85	75	††Utd. Electronic 20p	81	+2	b1.57	2.2	2.8	25.1

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or —
ǁ	F.P.	23/7	124	109¼	British Home Stores 9% Cnv. Ln. '92	116	.....
¶¶	F.P.	10/10	110p	107p	Foseco Minsep 8½% Cnv Red Cum2ndPrf	110p	.....
¶¶	F.P.	10/10	106	102	Do 10% Conv Uns Ln 1995	106	.....
¶	F.P.	30/10	98½	97	Newcastle & Gateshead Water 8½% RdP	98½	.....
••	F.P.	28/11	102	100	Outwich 10% Pref.	102	.....
¶	F.P.	8/8	105½	101½	South Staff. Water 9¾% Rd. Pf. '85	102xd	.....
*	F.P.	29/8	104	100½	Sunderl'd & S.ShieldsWtr 9½% Rd.Prf.1985	101xd	.....
¶¶	F.P.	22/10	105p	97p	Tebbitt 7% Con. Cum. Red. Pref.	99p	.....

"RIGHTS" OFFERS

Issue Price p‡	Amount Paid up	Latest Renunc. Date ●	■	1980 High	1980 Low	Stock	Closing Price p‡	+ or —
300	Nil	22/9	17/10	54pm	44pm	Blue Circle	54pm	+2
98	F.P.	30/7	12/9	141	128	Coalite	141	+1
13	F.P.	22/8	19/9	36	24½	Derritron	33½	—½
30	Nil	—	—	7½pm	2pm	Laganvale Estates 10p	5½pm	—¼
120	F.P.	15/8	26/9	159	144	McKay Secs.	159	+2
220	F.P.	5/9	14/11	300	286	Mercantile House	300	.....
14	F.P.	5/9	6/10	20½	16	Moorgate Mercantile	20½	+1½
15	Nil	19/9	10/10	3pm	2pm	Spencer Gears	2pm	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. p‡ Pence unless otherwise indicated. ¶ Issued by tender. ǁ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ǁǁ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.80 per unit. † Dealings under special rule.

Companies and Markets

CURRENCIES, MONEY and GOLD

Gold glisters again

BY COLIN MILLHAM

THE LATEST rise in the price of gold at first left some market observers at a loss to find an explanation, although the increased activity should produce the opportunity for profit in a hiterto dull area.

No single factor drove up the price, but a combination of events took the metal to its highest level since February. Demand for gold was fuelled by nervousness about world events, as the military takeover in Turkey and news of violence in South Africa followed the Polish strikes, the continued Russian presence in Afghanistan, and the general instability in Iran. These came at a time when the market was already showing an upward trend, influenced by the softness of the dollar.

Fears that the Carter Administration will not be prepared to squeeze inflation through tighter monetary policy ahead of the Presidential election, has depressed the dollar, particularly against the Japanese yen, and also contributed to gold's firm undertone.

Occasional bouts of profit-taking last week were heavily outweighed by strong demand, at least part of which reflected a move into gold ahead of the Vienna meeting of the Orgainsation of Petroleum Exporting Countries. Speculation that another oil price rise is about to occur contributed to the upward trend. OPEC meetings during the last year or so have generally prompted increased interest in gold.

Buying from the Middle East was thought to be behind the strong surge in January, which took gold to a high of $850, and if increased oil revenue finds its way into the bullion market again it may not be long before another peak is touched. There is a very bullish undertone in the gold market at present, and dealers are not ruling out a move up towards the $1,000 level sometime in the next 12 months.

Against this background it is obvious why South Africa has decided to produce half-ounce, quarter-ounce and one-tenth-ounce versions of the krugerrand. Five years ago the one-ounce kruggerand was valued at about £70, but at the present level of around £300, the new coins are designed to bring buying of gold back within the reach of the small investor.

GOLD

	Sept. 12		Sept. 11	
Gold Bullion (fine ounce)				
Close	$686-689	(£284¼-285½)	$683-686	(£284¼-285½)
Opening	$692-695	(£286¾-288)	$678-681	(£282¼-283½)
Morning fixing	$693.50	(£287.104)	$686	(£285.833)
Afternoon fixing	$685.50	(£284.086)	$686.5	(£285.863)
Gold Coins				
Krugerrand	$709-711	(£293½-295½)	$704-706	(£293¼-294¾)
Mapleleaf	$705-708	(£291¾-294¾)	$698-701	(£291-293)
New Sovereigns	$174-175	(£72-73)	$173-174	(£72-72½)
King Sovs.	$200-203	(£82½-83½)	$200-202	(£83-84)
Victoria Sovs.	$200-203	(£82½-83½)	$200-202	(£83-84)
French 20s	$167½-170½		$167½-170½	
50 pesos Mexico	$847-850		$847-850	
100 Cor. Austria	$669-673		$668-671	
$20 Eagles	$790-796		$791-794	
$10 Eagles	—		—	
$5 Eagles	—		—	

OTHER CURRENCIES

Sept. 12	£	$		£ Note Rates
Argentina Peso	4626-4646	1917-1924	Austria	30.20-30.50
Australia Dollar	2.0560-2.0600	0.8520-0.8535	Belgium	69.10-69.70
Brazil Cruzeiro	136.28-137.28	56.54-56.74	Denmark	13.22-13.32
Finland Markka	8.753-8.76	3.6285-3.6295	France	9.93-10.0
Greek Drachma	102.220-104.890	42.35-42.50	Germany	4.27½-4.31
Hong Kong Dollar	11.92-11.94	4.9440-4.9460	Italy	2015-2125
Iran Rial	n.a.	n.a.	Japan	516-521
Kuwait Dinar(KD)	0.641-0.647	0.2667-0.2668	Netherlands	4.65-4.69
Luxembourg Frc.	68.90-69.00	28.54-28.56	Norway	11.59-11.69
Malaysia Dollar	5.0850-5.0950	2.1090-2.1110	Portugal	116-126
New Zealand Dlr.	2.4440-2.4490	1.0125-1.0135	Spain	171½-180
Saudi Arab. Riyal	7.98-8.04	3.3185-3.3215	Sweden	9.96-10.06
Singapore Dollar	5.0900-5.1000	2.1100-2.1120	Switzerland	3.91½-3.94½
Sth. African Rand	1.8145-1.8165	0.7515-0.7520	United States	2.408-2.4205
U.A.E. Dirham	8.87-8.93	3.6870-3.6900	Yugoslavia	70½-73¼

Rate given for Argentina is free rate.

THE DOLLAR SPOT AND FORWARD

Sept. 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.4085-2.4180	2.4140-2.4150	1.13-1.03c pm	5.37	2.32-2.22 pm	3.76
Ireland†	2.1135-2.1180	2.1160-2.1180	0.60-0.50c pm	3.12	1.30-1.20 pm	2.36
Canada	1.1600-1.1617	1.1610-1.1613	0.10-0.06c pm	0.83	0.32-0.27 pm	1.02
Nethlnd.	1.9323-1.9367	1.9357-1.9367	0.10c pm-par	0.31	0.52-0.42 pm	0.97
Belgium	28.54-28.62	28.54-28.56	1-2½c dis	−0.73	2-4 dis	−0.42
Denmark	5.4990-5.5060	5.5045-5.5060	3¼-3¾ore dis	−7.63	9¾-10¾ dis	−7.28
W. Ger.	1.7780-1.7830	1.7800-1.7810	0.38-0.34pf pm	2.43	1.40-1.35 pm	3.09
Portugal	48.41-48.60	48.48-49.58	15-30c dis	−5.45	40-85 dis	−5.04
Spain	73.06-73.20	73.14-73.18	40-60c dis	−8.20	165-195 dis	−9.84
Italy	846.70-847.30	847.00-847.30	6¾-7¾ lire dis	−10.27	24-26 dis	−11.80
Norway	4.8137-4.8225	4.8200-4.8215	0.25-0.75ore dis	−1.24	0.75-1.25dis	−0.83
France	4.1350-4.1415	4.1350-4.1365	0.20-0.30c dis	−0.72	0.20-0.30dis	−0.24
Sweden	4.1405-4.1545	4.1530-4.1540	1.70-1.85ore dis	−5.13	5.00-5.15dis	−4.89
Japan	212.00-215.00	213.05-213.15	0.15-0.30y dis	−1.27	0.05pm-0.10d	−0.05
Austria	12.59-12.61	12.60-12.61	0.50-1.10gro dis	−0.76	0.25pm-1.50d	−0.20
Switz.	1.6260-1.6330	1.6295-1.6305	0.72-0.67c pm	5.12	2.55-2.50	6.20

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

THE POUND SPOT AND FORWARD

Sept. 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.4085-2.4180	2.4140-2.4150	1.13-1.03c pm	5.37	2.32-2.22 pm	3.76
Canada	2.7975-2.8080	2.8015-2.8025	1.58-1.48c pm	6.55	3.45-3.35 pm	4.85
Nethlnd.	4.65½-4.69½	4.66¾-4.67¾	2½-1½c pm	5.14	6⅛-5⅝ pm	4.81
Belgium	68.80-69.20	68.90-69.00	30-20c pm	4.35	60-50 pm	3.19
Denmark	13.27-13.34	13.33-13.34	2-3¾ore dis	−2.53	10½-11⅞ dis	−3.35
Ireland	1.1380-1.1425	1.1386-1.1395	0.20-0.16p pm	1.90	0.38-0.33 pm	1.25
W. Ger.	4.28-4.32	4.29½-4.30½	3½-2½pf pm	8.02	8-7 pm	6.98
Portugal	119.20-119.90	119.50-119.70	20c pm-20 dis	—	20pm-95dis	−1.25
Spain	176.35-176.80	176.56-176.65	15-70c dis	−2.89	190-270dis	−5.21
Italy	2,041-2,049	2,046½-2,047½	6¼-8¾ lire dis	−4.54	39-42 dis	−7.91
Norway	11.61-11.65	11.63-11.64	5-3½ore pm	4.19	9¾-8½ pm	3.05
France	9.97-10.02	9.97½-9.98½	4½-3½c pm	4.51	9¼-8¼ pm	3.51
Sweden	10.00-10.04	10.02½-10.03½	½ore pm-¼ dis	0.15	1¼-3¼ dis	−1.00
Japan	511-521	514-515	1.65-1.10y pm	3.21	4.60-4.05 pm	3.36
Austria	30.35-30.48	30.40-30.45	13-10gro pm	4.53	31-25 pm	3.68
Switz.	3.92-3.95	3.93½-3.94½	3¾-2¾c pm	9.52	10¼-9¼ pm	10.03

Belgian rate is for convertible francs. Financial franc 68.65-68.75. Six-month forward dollar 3.22-3.12c pm, 12-month 3.95-3.85c pm.

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 12)

3 months U.S. dollars		6 months U.S. dollars	
bid 11 3/4	offer 11 7/8	bid 12 1/8	offer 12 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Sept. 12	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16½-16¾	10⅜-10⅝	9-10	10¼-10⅜	3¼-3¾	8⅜-8½	11¼-11½	14-18	3⅞-4	13¼-13¾
7 days' notice	16⅝-16⅞	10⅞-10¹⁵⁄₁₆	9½-11	10⅞-10½	3¾-4¼	8⅜-8½	11¼-11⅝	15-20	10⅞-10¹⁵⁄₁₆	13½-14
Month	16½-16¾	11-11¼	9⅝-10	10½-10⅝	5⅝-5¾	8⅜-8¾	11⅝-11⅞	20¾-21¼	11-11⅛	13-13¼
Three months	15⅞-16⅛	11⁷⁄₁₆-11⁹⁄₁₆	10¼-10⅝	10⅝-10¹⁵⁄₁₆	5⅝-5⅞	8⅝-8⅝	11⅞-12⅛	23½-24½	11⁷⁄₁₆-11⁹⁄₁₆	11⅞-12⅛
Six months	16⅛-16⅜	12⁷⁄₁₆-12⅝	11-11⅜	10⅞-10¹⁵⁄₁₆	5¾-5⅞	8⅜-8½	12¼-12½	25¾-26¾	12⁷⁄₁₆-12⁹⁄₁₆	10⅝-10⅞
One Year	14⅛-14⅜	12⁷⁄₁₆-12⅝	11½-11⅞	10⅝-10¹⁵⁄₁₆	5⅝-5¹⁵⁄₁₆	8⁷⁄₁₆-8⅝	12½-12¾	24-25	12⁷⁄₁₆-12⁹⁄₁₆	9⅝-9⅞

Long-term Eurodollar two years 12⅝-12⅞ per cent; three years 12½-12⅞ per cent; four years 12½-12⅞ per cent; five years 12½-12⅞ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 10.95-11.05 per cent; three-months 11.50-11.60 per cent; six-months 11.75-11.85 per cent; one year 11.85-11.95 per cent.

LONDON MONEY RATES

Sept. 12 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	15¾-16½	—	—	—	16¼-16½	16½-16	—	—	—
2 days notice	—	—	16¼-16½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16⅜-16⅝	16⅜-16½	—	16⅞	16¾-16⅞	15⅝-15¾	—	—	—
One month	15⅝-16⅜	16⁷⁄₁₆-16⁹⁄₁₆	15⅝-16½	17⅜-17¾	16⅞	16⅞	15⅜	14¹³⁄₃₂-14½	16⅛	17
Two months	16⅟₁₆-15¹⁵⁄₁₆	16-16⅛	—	16⅝-16⅞	16⅞	—	14¾-16	14⅛-14¼	15⅝-15¾	16⅝
Three months	15¹⁵⁄₁₆-16⅛	15¾-15⅞	15¾-15⅞	15¾-16¼	16⅟₁₆	16¼-16⅜	14¼-14¾	14⅝-14⅞	15	15¾
Six months	14⅞-14½	14¾-14⅞	14⅞-15	14⅝-15⅛	15⅛	15½	—	—	13¾-13⅞	14⅜
Nine months	13⁵⁄₁₆-13⁷⁄₁₆	14⅟₁₆-14⅟₁₆	—	14⅜-14⅝	14⅟₁₆	14¾	—	—	—	—
One Year	13⁹⁄₁₆-13¹¹⁄₁₆	14⅟₁₆-14⅟₁₆	14-14⅞	13⅞-14⅛	14⅟₁₆	14⅜	—	—	—	—
Two years	—	—	13⅞-14	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13⅞ per cent; four years 13¾ per cent; five years 13¾ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14¾-14¹³⁄₁₆ per cent; four-month trade bills 15⅞ per cent.

Approximate selling rate for one-month Treasury bills 14⅝-14¾ per cent; two-months 14⁹⁄₃₂-14¾ per cent; three-months 14¼-14⅜ per cent. Approximate selling rate for one-month bank bills 16⅜ per cent; two-months 15²⁹⁄₃₂-15⅞ per cent; three-months 14⅞ per cent; one-month trade bills 16¾ per cent; two-months 16⅛ per cent; and three-months 15¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16½ per cent from September 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.4024 per cent.

CURRENCY RATES

Sept. 12	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	16	0.547835	0.586980
U.S. $	10	1.32247	1.42131
Canadian $	10.57	1.53509	1.65073
Austria Sch.	6¾	16.6608	17.9001
Belgium F	12	37.7658	40.6004
Danish K	13	unavail.	7.82375
D'mark	7½	2.35359	2.53117
Guilder	9	2.55782	2.74975
French Fr.	9½	5.47168	5.88451
Lira	16	1119.62	1204.76
Yen	8.25	286.541	303.456
Norwgn. Kr.	9	6.36613	6.85022
Spanish Pts.	8	96.6655	103.926
Swedish Kr.	10	5.48576	5.90570
Swiss Fr.	3	2.15438	2.31756

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

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Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

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Barclays Unicorn Ltd. (a)(c)(g)

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Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

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Chouleston Fund Managers

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Discretionary Unit Fund Managers

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Funds in Court

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G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(b)(c)

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd. (a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General (Unit Tst. Mngrs.) Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngemnt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Sabra Fund Management Limited

Save & Prosper Group

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Security Selection Ltd.

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Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co. (y)

TSB Unit Trusts (y)

Tyndall Managers Ltd. (a)(b)(c)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

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Abbey Life Assurance Co. Ltd.

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Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'dean & Ntlm. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Provident Capital Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

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Tyndall Assurance/Pensions (a)(b)(c)

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

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Alliance International Dollar Reserves

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Bank of America International S.A.

Banque Bruxelles Lambert

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Barclays Unicorn International

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Bishopsgate Progressive Mgt. Agents

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Britannia/Schlesinger

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Charterhouse Japhet

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Craigmount Fixed Int. Mngrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

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First Viking Commodity Trusts

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

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Gartmore Fund Managers (Far East) Ltd.

Gartmore Fund Managers (IoM) (a)

Guinness Mahon Fd. Mgrs. (Guernsey)

Hambro Pacific Fund Mgmt. Ltd.

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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
26S	26Mar	Treas. 13½pc '04-08	102¾xd	20.8	13.09	13.08
10Mar	10S	Treasury 5½pc '08-12‡‡	49⅞	4.8	11.04	11.39
26Jul	26Ja	Treasury 7¾pc '12-15‡‡	67	19.6	11.76	11.86
12 Jun.	12D	Exch. 12pc '13-17	98¼	6.5	12.62	12.61

Undated

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
1F.	1Aug.	Consols 4pc	33⅜	25.6	12.17	—
1Jun	1D	War Loan 3½pc‡‡	33	25.4	10.94	—
1Ap	1D	Conv. 3½pc '61 Aft.	35¾xd	26.8	9.85	—
5Ap	5Oct	Treasury 3pc 66 Aft.	24⅝xd	1.9	12.10	—
5Ja.A.J.O.		Consols 2½pc	21⅝xd	1.9	11.49	—
1Ap	1Oct	Treasury 2½pc	20½xd	26.8	12.13	—

INTERNATIONAL BANK

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
15F	15A	5pc Stock '77-82	86¼	18.1	5.80	13.28

CORPORATION LOANS

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
30A	31O	Bath 11¼pc 1985	97	31.3	12.10	13.15
1J	1D	Birm'ham 12½pc 1985	96½	1.5	12.96	13.49
1M	1S	Bristol 13¾pc 1981	99¾xd	15.2	13.84	15.15
1J	1D	Burnley 13pc 1987	102	1.5	13.19	13.33
24A	24O	Cardiff 11pc 1986	95¼	24.3	12.05	13.12
25M	25N	G.L.C. 12½pc '82	98	25.4	12.76	13.82
10F	10A	Do. 12½pc 1983	97¾xd	10.7	12.79	13.44
15M	11N	Glasgow 9¼pc '80-82	92	21.4	10.05	13.63
1F	1A	Herts 6¾pc 1985-87	74¾xd	1.7	9.12	12.45
15M	15N	Liverpool 9¾pc '80-84	89¾	15.4	10.86	13.33
1Ja.A.J.O.		Do. 3½pc Irred.	26xd	2.6	13.57	—
15M	15N	Lon. Corp. 13¼pc '85	99¼	15.4	13.26	13.25
1A	1O	Do. 9¼pc '84-85	89xd	1.9	10.33	12.04
15J	15J	L.C.C. 5½pc '82-84	80	16.6	6.88	12.14
11J	11D	Do. 5½pc '85-87	69¾	12.5	8.03	12.56
10Ja	10J	Do 6¾pc '88-90	63¾	10.6	9.97	12.55
1M.J.S.D.		Do. 3pc '20 Aft.	22½	1.5	12.97	—
15J	15D	Sunderland 12¼pc 1984	96¼	15.5	12.73	13.40

COMMONWEALTH AND AFRICAN LOANS

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
1A	1O	Aust. 5½pc '81-82	88xd	29.8	6.23	14.11
1J	1D	Do. 6pc 1981-83	84	30.6	7.28	12.84
1Ja	1J	N.Z. 7¼pc 1988-92	65½	2.6	11.22	13.37
15J	15D	Do. 7½pc '83-86	80¾	9.40	9.62	12.74
1M	1N	Sth. Africa 9½pc '79-81	96¼	27.3	10.23	16.49
1A	1O	S. Rhod. 2½pc Non-Ass.	101	3.66	—	28.45
15Ja	15J	Do. 6pc '78-81 N.-As.	146	12.65	—	27.20

LOANS

Public Board and Ind.

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
1Ja	1J	Agric. Mt. 5pc '59-89	62¾	2.6	8.04	12.18
30J	31D	Alcan 10½pc '89-94	82½	2.6	14.58	15.55
1M	1S	Met. Wtr. 3pc 'B'	29	1.8	10.36	12.39
30J	31D	U.S.M.C. 9pc 1982	104	16.6	8.87	—
30J	31D	Do. without Warnts.	91	16.6	10.21	14.00

Financial

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
30Ja	30J	FFI 13pc 1981	98⅝	31.12	13.18	16.36
20J	20D	Do. 14pc '83	100¼	20.5	13.96	13.86
31M	30S	FFI(UK Fd)5¼pcDb. '80-2	87xd	1.9	6.31	12.95
31M	30N	Do. 6¼pcDb. '81-84	80½	14.4	7.99	13.20
11Ja	11J	Do. 10½pc Uns.Ln. '86	91½	2.6	11.74	13.40
11Ja	11J	Do. 11pc Uns.Ln. '88	91½	2.6	12.32	13.08
11Ja	11J	Do. 11¾pc Uns.Ln. '90	92½	2.6	13.02	13.60
14Mr.	14S	Do. 12½pc Un. Ln. 1992	92½xd	11.8	13.59	13.90
30J	31D	Do. 7¼pcADeb. '89-92	64½	2.6	11.67	13.70
31M	30S	Do. 7¼pcADeb. '91-94	60½xd	1.9	11.98	13.60
31M	30S	Do. 9pc 'A' '91-94	71½xd	1.9	12.58	13.60
28F	31A	Do. 8⅞pcLn. '92-97	69½	14.1	12.95	13.60

FOREIGN BONDS & RAILS

Interest Due		Stock	Price £	Last xd	Div % Gross	Red. Yield
—		Antofagasta Rly.	65	8.71	—	—
1Ja	1J	Do. 5pc Pref.	55	2.6	—	—
1Ja	1J	Chilean Mixed	98	2.1	3	f3.10
	—	Chinese 4½pc 1898	19	—	—	—
	—	Do. 5pc 1912	18	—	—	—
—		Do. 5pc 1913	13	—	—	—
	—	Do. 5pc '25 Boxer	15	—	—	—
30 Jun.	31D	Denmark 13pc 2005.	17	—	13	13.76
1M	1N	Greek 7pc Ass.	35	1.5	3½	f10.17

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Australian

Dividends Paid	Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
—	Acmex 50c	22	—	—	—	—
—	ACM 20c	20	—	—	—	—
—	Bond Corp.	122	—	ht02.8c	2.2	1.2
Nov. Apr.	Bougainville I Kina	127	7.3	ttd26.2c	1.8	10.5
—	CRA 50c	308	974	§Q15c	2.1	2.6
—	Canada Northwest	$18\frac{1}{2}$	—	—	—	—
—	Carr Boyd 20c	33	—	—	—	—
—	Central Pacific	£37	—	—	—	—
—	Coltus Pacific N.L.	31	—	—	—	—
—	Eagle Corp. 10c	40	—	—	—	—
—	Endeavour 20c	25	—	—	—	—
June	G. M. Kalgoorlie 25c	495	979	Q13c	ϕ	1.4
—	Great Eastern	$24\frac{1}{2}$	—	—	—	—
Sept. Feb.	Hamptn Areas 5p	485	11.8	4.5	2.4	1.3
—	Haoma Gold N.L.	152	—	—	—	—
—	Intl. Mining	60	—	—	—	—
—	Leichardt Expln.	160	—	—	—	—
—	Metals Energy	20	—	—	—	—
—	Metals Ex. 50c	76	—	Q3c	ϕ	2.0
Oct. Apr.	M.I.M. Hldgs. 50c	256	15.2	Q30c	ϕ	6.2
—	Minefields Expl. 25c	16	—	—	—	—
—	Mount Lyell 25c	100	—	Q15c	ϕ	8.1
—	Newmetal 20c	20	—	—	—	—
—	Nickelore N.L.	39	—	—	—	—
June Nov	North B. Hill 50c	193	19.11	Q18c	ϕ	4.9
—	Nth. Kalgurli	107	—	—	—	—
—	Nth. Mining Corp.	130xr	—	—	—	—
—	N. West Mining N.L.	140	—	—	—	—
May Nov.	Oakbridge $A1	190	7.4	Q12c	4.7	3.3
—	Otter N. L.	125	—	—	—	—
—	Pacific Copper	210	—	—	—	—
—	Pancont'l 25c	350	—	—	—	—
—	Paringa M&Ex 5p	61	—	—	—	—
Apr. Oct.	Peko-Wallsend 50c	515	12.5	‡Q17.5c	ϕ	1.8
—	Seltrust A	160	—	—	—	—
—	Southern Pacific	$£14\frac{1}{8}$	—	—	—	—
—	Swan Resources 20c	90	—	—	—	—
—	West Coast 25c	22	—	—	—	—
Oct. May	Westn. Mining 50c	287	10.3	Q14c	ϕ	2.5
—	Westmex	14	—	—	—	—
—	Whim Creek 20c	95	—	—	—	—
—	York Resources	27	—	—	—	—

Tins

Dividends Paid	Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
—	Amal Nigeria 1p	17	—	j6.0	—	—
Apr. Nov.	Ayer Hitam $M1	343	10.3	‡Q290c	0.9	‡
December	Beralt Tin	67	30.6	4.5	3.2	9.6
Jan. July	Berjuntai $M1	270	28.1	Q85c	ϕ	6.6
Feb. Aug.	Geevor	155	16.6	8.4	1.9	7.7
—	Gold & Base $12\frac{1}{2}$p	12	1074	—	—	—
April July	Gopeng Cons.	590	28.4	†25.0	1.8	6.1
Dec. Aug.	Hongkong	438	30.6	‡35.87	ϕ	‡
Sept. Mar.	Idris 10p	132	28.7	14.0	1.2	15.2
—	Jantar $12\frac{1}{2}$p	14	2.6	1.5	ϕ	15.3
Sept. Jan.	Kamunting $M0.50	110	28.12	Q80c	1.0	0.0
Oct. Apr.	Killinghall $M1	350	11.8	††b250c	ϕ	2.9
Jan. May	Malay Dredging 10c	123	14.4	$mQ10\frac{1}{2}c$	2.6	1.7
—	Pahang	39	27.11	0.44	0.3	1.6
Jan. Apr.	Pengkalen 10p	112	28.4	6.0	1.3	7.7
June. Jan.	Petaling $M1	335	2.6	†Q150c	1.4	9.4
Oct. Feb.	South Crofty 10p	25	28.12	1.0	ϕ	5.7
Jan. Aug.	Sungei Besi $M1	260	28.7	Q480c	1.1	37.6
—	Supreme Corp. $M1	55	974	h08c	—	3.0
Sept. Mar.	Tanjong 15p	120	2.6	ϕ5.75	6.8	6.8
Sept. Mar.	Tongkah H. Tin	105	21.5	Q45c	1.3	9.6
Oct. June	Tronoh $M1	325	2.6	‡Q250c	0.7	‡

Copper

Dividends Paid	Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
January	Messina R0.50	240	12.5	mQ10c	ϕ	2.4

Miscellaneous

Dividends Paid	Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
—	Anglo-Dominion	142	—	—	—	—
—	Barymin	60	—	—	—	—
May	Burma Mines 10p	$13\frac{1}{2}$	14.4	0.62	1.1	6.6
—	Colby Res. Corp.	257	—	—	—	—
Aug. Feb.	Cons. Murch. 10c.	350	30.6	MQ100c	1.8	16.4
—	††Hemerdon 10c.	85	—	—	—	—
—	Northgate C$1	480	977	—	—	—
Jan. July	R.T.Z.	487	12.5	15.0	3.2	4.4
—	Robert Mines	37	—	—	—	—
—	††SPO Minerals 10p	94	—	—	—	—
—	Sabina Inds. C$1	40	—	—	—	—
—	††SWCM 10p	40	—	—	—	—
—	Tara Exptn. $1	585	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✤ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	35	......	Conv. 9% '80/82	$£93\frac{3}{4}$	$+\frac{1}{4}$
Bertam	15	......	Nat. $9\frac{1}{4}$% 84/89	$£82\frac{1}{2}$	$+\frac{1}{4}$
Bdg'wtr. Est. 50p	450	......	Fin. 13% 97/02	$£91\frac{1}{4}$	$+\frac{3}{8}$
Craig & Rose £1	£11	......	Alliance Gas	51	......
Fife Forge	35	......	Arnott	200	......
Finlay Pkg. 5p	19	......	Carroll (P.J.)	69	−2
Graig Ship. £1	£12	......	Clondalkin	120	......
Higsons Brew	77	......	Concrete Prods.	88xd	......
Holt (Jos) 25p	260	......	Helton (Hldgs.)	29	......
I.O.M. Stm. £1	152	......	Ins. Corp.	275	......
Pearce (C. H.)	465	......	Irish Ropes	40	......
Peel Mills	45	......	Jacob	31	......
Sheff. Refrsmt	102	......	T.M.G.	75	......
Sindall (Wm.)	140	......	Unidare	77	......

OPTIONS

3-month Call Rates

Industrials		I.C.I.	27	Utd. Drapery	$6\frac{1}{2}$
A. Brew	7	"Imps"	$6\frac{1}{2}$	Vickers	12
BOC Intl.	6	I.C.L.	14	Woolworths	$5\frac{1}{2}$
B.S.R.	$4\frac{1}{2}$	Inveresk	4		
Babcock	8	Ladbroke	15	**Property**	
Barclays Bank	34	Legal & Gen.	15	Brit. Land	7
Beecham	10	Lex Service	8	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	24
Boots	16	"Lofs"	$3\frac{1}{2}$	MEPC	17
Bowaters	15	London Brick	6	Peachey	13
B.A.T.	20	Lucas Inds.	17	Samuel Props.	12
Brown (J.)	6	"Mams"	14	Town & City	2
Burton 'A'	10	Mrks. & Spncr	8		
Cadburys	$5\frac{1}{2}$	Midland Bank	26	**Oils**	
Courtaulds	8	N.E.I.	5	Brit. Petroleum	32
Debenhams	8	Nat. West. Bank	27	Burmah Oil	20
Distillers	17	P & O Dfd.	10	Charterhall	10
Dunlop	$7\frac{1}{2}$	Plessey	14	KCA	11
Eagle Star	15	Racal Elect	22	Premier	13
F.N.F.C.	$2\frac{1}{4}$	R.H.M.	$4\frac{1}{2}$	Shell	35
Gen. Accident	21	Rank Org.	15	Tricentrol	40
Gen. Electric	30	Reed Intnl.	16	Ultramar	35
Glaxo	18	Sears	5		
Grand Met.	12	Tesco	6	**Mines**	
G.U.S. 'A'	34	Thorn	23	Charter Cons.	14
Guardian	25	Trust Houses	12	Cons. Gold	40
G.K.N.	20	Tube Invest.	23	Lonrho	8
Hawker Sidd	15	Unilever	40	Rio T. Zinc	35
House of Fraser	15	U.D.T.	$5\frac{1}{2}$		

"Recent Issues" and "Rights" Page 28

FINANCIAL TIMES

Monday September 15 1980

GENERAL INCREASE UNLIKELY AT OPEC MEETING

Oil price indexing proposed

BY MARTIN DICKSON AND RICHARD JOHNS IN VIENNA

PROSPECTS APPEARED good last night for agreement by the Organisation of Petroleum Exporting Countries on a long-term strategy which would increase real oil prices gradually. But OPEC Ministers arriving in Vienna stressed that no immediate general price rise would follow their meeting here.

The only country likely to raise its prices is Saudi Arabia — which produces about one-third of OPEC's output — to bring it into line with other member-countries as part of a compromise deal on long-term strategy.

Saudi Arabia is currently selling its oil at $28 (£11.67) a barrel, compared with the official ceiling of $32 a barrel fixed for its light "marker" crude at the Algiers meeting in June.

Mr. Tayeh Abdul-Karim, Iraq's Oil Minister, said on arrival that Saudi Arabia would announce its price rise in the next few days and possibly also a cut in production.

A critical factor in any compromise agreement will be the Saudis' willingness to raise its oil prices and lower production. With a glut of crude oil on the international market, other OPEC nations are anxious for Saudi Arabia to decrease its production from 9.5m barrels—one-third of OPEC's total output—to 8.5m barrels a day.

Saudi Arabia, which has been keeping production at 9.5m b/d in an attempt to forge a more united OPEC front, will also be expected to raise the price of its oil from $28 a barrel to $32.33—bringing it in line with agreed OPEC prices.

This would be done either in the last quarter of this year or at the beginning of 1981, possibly in two stages.

The conference will consider a report on proposed long-term strategy, thrashed out over the past two years by a six-nation committee under the chairmanship of Sheikh Ahmad Zaki Yamani, the Saudi Oil Minister. However, it was clear last night that complete agreement on the package is not a foregone conclusion, as some militant delegations still have considerable reservations.

Key features of the scheme are the indexing of oil prices, which would be adjusted quarterly, and the strengthening of OPEC's relations with other developing nations through increase in aid granted.

The Vienna meeting brings together the finance, foreign and oil ministers of each of the OPEC countries for only the second time. This demonstrates the importance to the organisation of reaching a strategy agreement which can then be ratified at the OPEC summit in Baghdad in November.

Indicative of the hard bargaining to be expected over the next two days were the reservations expressed last night by a senior Libyan delegate to details of the proposed oil price indexation. He believed, however, that such problems could be ironed out during the next few days.

Sheikh Yamani is understood to have drawn up a programme of action for implementing the proposals contained in the strategy report, particularly the improvement of dialogue between developing and industrial countries.

Feature, Page 21

CBI to attack economic policies

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

BRITAIN's leading industrialists are preparing the ground for an unprecedented attack on the Government's economic policies when the Confederation of British Industry holds its fourth annual conference in eight weeks' time.

Resolutions already submitted to the CBI's conference headquarters show that industrialists are becoming deeply concerned about long term damage to the country's industrial base by high interest rates, rising energy costs, and the level of local authority spending.

This was spelled to the Prime Minister last Friday by Sir Ray Pennock, CBI president, and will be repeated on Wednesday at the confederation's monthly council meeting.

Sir Ray and his colleagues are anxious to stress that they still support the Government's basic stance and this is emphasised in the conference resolutions.

But the conference debates, which take place in Brighton on November 10 and 11, will provide considerable embarrassment for the Government unless industry worries are allayed in advance by a reduction in interest rates, a significant drop in the level of sterling, or some other concessions.

More than 100 resolutions have been submitted so far by individual companies, trade federations and CBI area organisations. Those which are to be debated will be selected by the CBI's president's committee within a few weeks.

Although some will be ignored, those chosen will indicate the spread of views among CBI members.

Critical resolutions on the economy include one from the London and Northern Group which questions whether high interest rates can halt inflation "without serious and lasting damage to the economy."

The CBI's Yorkshire and Humberside regional council "draws attention to the damage being done to the country's industrial and commercial base," while Delta Metal says it is concerned about the "major problems and damage" being done to industry.

The CBI's Northern Ireland regional council criticises the Government's determination not to intervene in industrial affairs, even when urgent help is needed to aid restructuring, and the West Wales area committee says the Government has shown "inflexibility" in allocating regional aid to areas hit by the rundown of a single dominant industry.

By the standards of political and trade union conferences, these resolutions are mildly worded. But they illustrate underlying restiveness in all areas of the country and in all sizes of companies.

Local authorities are openly criticised for over-spending, and the Government is also asked to change its energy policies, using North Sea oil revenues to offset high energy costs.

More help is requested for small businesses while, on international affairs, reservations about the EEC are aired, along with calls for action to stop unfair trade practices and excessive imports from Japan.

Offer is expected for BSC forge

By Hazel Duffy, Industrial Correspondent

THE British Steel Corporation can expect an approach shortly for its Sheffield forging interests. The interested company is John Folkes Hefo, which operates an open-die forge at Kidderminster, Worcs. and has been responsible for rationalising parts of the industry.

British Steel made it known last year that it wanted to bring the private sector into some of its peripheral activities in order to raise cash. The corporation's preference was for joint venture schemes which would allow it to retain some interest. On this basis, BSC Chemicals and Redpath Dorman Long were put up for sale.

A deal on BSC Chemicals is believed to be close, but discussions with the Dutch company De Groot on extending its interest in RDL (the two companies already have one joint venture) were not successful.

Mr. Ian MacGregor, BSC chairman, is expected to expand on the privatisation policy when he submits to the Government shortly his plan for easing the financial problems of British Steel. The plan will be the result of a wide-ranging review of BSC's activities since Mr. MacGregor assumed office.

BSC's forging activities are on a much smaller scale than some of its other peripheral involvements. The open-die forge at Sheffield, however, is the largest in the country. BSC forges made a loss of £2m before interest in the past financial year. By contrast, John Folkes Hefo forecasts a profit of £1.25m on its forging interests in the current year.

In February BSC brought the forges, foundries and engineering interests into a separate profit centre in an attempt to increase their profitability. But the forging activities are believed to be operating at much below capacity.

There are only five open-die forges left in the UK as a result of considerable rationalisation in the industry. One of these, operated by Firth Brown in Sheffield, recently commissioned a new £12.5m automatic forging machine which is the largest of its kind in the world.

John Folkes Hefo last year acquired the plant and goodwill of Park Webb Forgings from Dobson Park Industries. The plant has been brought to Kidderminster and is being installed over a two year period. It is likely that a similar deal will be put to British Steel next month.

In the event of a deal, John Folkes Hefo would also be prepared to buy all its steel ingots, worth £4m annually, from British Steel.

Further redundancies likely at Corby, Page 4

THE LEX COLUMN

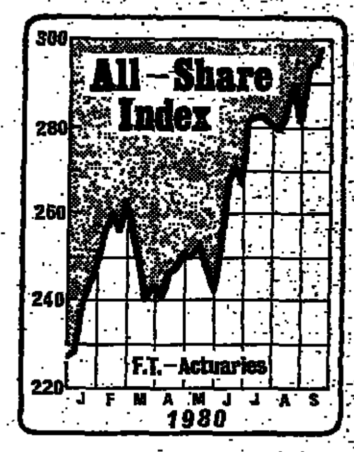
Equities ignore the bad news

To anybody outside the stock market (and to a good many of those within it) the current strength of the market must seem perverse. The FT Actuaries All-Share Index now stands within a whisker of the 300 level, and has been hitting new all-time highs almost every day. So far in 1980 this index has put on just over a third. Yet this is at a time of unprecedented squeeze upon British industry, the extent of which is now being grimly demonstrated as companies report their figures for the first half of the year. This week it is Guest Keen and Nettlefolds' turn; some analysts think that its historic cost profits could be down by two-fifths or more. And most of the companies which have already reported serious profit setbacks have been unable to forecast any early improvement.

The strength of British equities, however, should not be viewed in isolation. Major securities markets around the world are also in a strongly bullish phase. In New York the Standard and Poors Industrials index has risen by 28 per cent since the end of July, and remains close to its highest-ever point, reached early this month. The Tokyo New index is also at a peak, largely reflecting the influx of foreign investment; the same applies to Australia, and Canada. The buoyancy is not confined just to equities, for gold and the other precious metals have entered into a new upswing—in contradiction of the old stock market rule that the forces which move gold up also push equities down, and vice versa.

There is a clear connection between this worldwide chase for financial assets and the huge institutional surpluses of cash which are building up, especially in the wealthy oil-producing states. They have had a rough time with their dollar bond portfolios, and are seeking to diversify. The activities of the Kuwaitis in the UK and the S. are only unusual in that in several cases, such as the Hay's Wharf purchase, they are on public record. At the same time the U.S. pension funds, spurred by the weakness of the dollar, are taking international diversification much more seriously than they ever did.

Inevitably the UK securities markets are being strongly influenced by these international trends—as has become evident in the strong foreign buying of gilt-edged this summer. But there are also domestic reasons for the rise in share prices in London. The most important is the fall in interest rates, both actual and anticipated. Although the drop in rates since the beginning of the year has not been anything like as marked as at one time hoped—three-month interbank rate is only down by just over a point—the gilt-edged market is confidently discounting a further reduction of several points in the quite near future.



Thus the long Government bond yield is down to just over 13 per cent, getting on for 3 points below money market rates. Last Tuesday's Treasury statement, hinting that monetary pressures would soon ease, was given a highly bullish reception both in the gilt-edged and equity markets.

The rise in share prices has done little more than reflect the improvement in gilts. The gap between equity and gilt yields has risen only fractionally this year, and is much narrower than at the height of the Election bull phase in the spring of 1979.

And buoyant though equities are, the level of share prices is not too impressive in real terms. As long ago as May 1972 the All-Share reached 228, since when retail prices have more than tripled whereas even at today's level the index shows a gain in money terms of just 30 per cent. So adjusted for inflation the All-Share is only about two-fifths of the admittedly extravagent level reached eight years ago.

There is no denying, however, that there are strong bullish undercurrents at work in the market. Typically, bad news is brushed aside—or at least is not fully reflected in share prices—whereas relatively minor items of good news like Friday's surprisingly modest advance in the retail price index are seized on as excuses for further gains.

It is only just over two weeks since ICI unveiled results that were worse than the gloomiest predictions, but the share price has more than recovered from the shock. However perplexed fund managers may be, they feel much less exposed in this equity market than out of it.

Now that foreign investors, particularly Americans, are becoming increasingly active on the Paris Bourse, the authorities are having another try at simplifying the confusing system whereby the 267 most important equities are traded on a forward settlement (a terme) basis as well as spot (comptant). Smaller and overseas issues are traded on a spot basis only.

An earlier attempt to reform the system prior to the 1978 presidential election was abandoned when the Left coalition demanded the abolition of the marché à terme altogether, on the grounds that it existed only for sophisticated speculators, and that its operation was too complicated for ordinary investors to understand. The current proposals, put forward by the agents de change—the Government appointed private brokers who have a monopoly over all dealings in stocks and shares—call instead for the abolition of trading on the spot market in the shares of large companies, and for the expansion of the marché à terme by about 100 names.

The minimum transaction on the marché à terme, now 10,000 francs, would be reduced to 4,000 so that smaller investors, who now deal mainly in the spot market, could still buy major issues easily. They would also be able to buy even smaller amounts for cash if they wished, but at the cost of a significant increase in brokerage fees.

The Bourse authorities acknowledge that the proposed reform is part of an attempt to "internationalise" the Paris market. They are also studying the feasibility of introducing a traded options market in about 10 leading equities.

The proposed simplification of the trading system faces no apparent opposition, and is expected to be endorsed quickly by the Bourse's regulartory authority, the Commission des Operations de Bourse, and the Ministry of Industry, and to be implemented within six months. With the Left in disarray, no one seems worried that the reform could yet again become the victim of a presidential election campaign next spring.

Callaghan backed by engineers

By John Lloyd, Labour Correspondent

THE FUTURE of the three major changes to the Labour Party's constitution, the centrepiece of the Left-Right debate at the party conference in two weeks' time, now hangs on a fine balance.

The Amalgamated Union of Engineering Workers, as expected, will throw its 900,000 conference votes behind Mr. James Callaghan's fight to defeat the changes after the union's national committee voted by 28 to 24 to mandate its delegation to vote against the reform.

The AUEW had voted for two of the reforms at last year's conference. It is the second biggest union to the Transport and General Workers' Union, which affiliates 1.25m members to the Labour Party and is expected to support the reforms.

Mr. Terry Duffy, the AUEW's president, said yesterday that the national committee's decision "augurs well for Jim Callaghan."

"All this disunity that emanates from the national executive committee (of the Labour Party) must be stopped. We contribute to the Labour Party both physically and financially and we do not want a party condemned to permanent opposition," he said.

However, a survey of the other major unions suggests that even with this large swing to Mr. Callaghan's side there is no guarantee tha he will win on all three issues.

The three changes, which the Left-wing of the party wishes to be made, are: the mandatory re-selection of MPs, the election of party leader by conference, and the drafting of the manifesto by the NEC.

An analysis in the latest issue of Labour Weekly, the party newspaper, shows that the unions' block votes would defeat the plan for the conference to elect the leader by more than 1m votes, a majority which the 500,000-600,000 constituency party votes could not alter.

Move to change ship flag rules

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THIRD WORLD countries have made substantial progress in their efforts to phase out flags of convencience (FOCs) from the high seas and to double their share of the world's shipping fleet over the next decade.

At the end of the ninth session of the Committee on Shipping of the United Nations Conference on Trade and Development (UNCTAD) in Geneva last week it was agreed that the next session of the Committee would be brought forward and that it should be devoted solely to debating flags of convenience.

In the meantime, a special study group examining barriers to entry into the bulk trades is to be established.

This is a major setback for a number of countries, including the U.S. and Greece, which have a large number of ships registered under flags of convenience.

The credibility of flags of convenience has come under increasing attack over the last year and the unexpected resignation of the respected Liberian Commissioner for Maritime Affairs, Gerald Cooper, at the end of the ninth session of the Committee on Shipping, which he attended, will only add to the controversy.

Mr. Cooper has recently spent several months travelling the world trying to reassure shipowners that his country's maritime policies remain unchanged following the coup earlier this year. He said he had resigned for "reasons of conflict of principles" and for his own personal future interest.

Mr. Adib Al-Jadir, head of UNCTAD's shipping division, told the Committee on Shipping that the urgency of finding a solution to the flag of convenience problem has been "increased by a number of alarming incidents involving shipwrecks, scuttling of vessels, maritime fraud, breaking of United Nations embargo against shipment of oil to South Africa, and environmental disasters."

He stressed that these recent incidents underlined the problems of enforcing the law when ships had no more than a nominal connection with their country of registry.

There are a number of tax and cost advantages (plus anonymity) associated with registering ships under flags of convenience, and as a result the fleets of major FOC countries, such as Panama and Liberia, have been growing rapidly and now account for a third of the world shipping fleet.

The developing countries in the Group of 77 have under 10 per cent of the world shipping fleet and argue that the growth of FOC fleets has been at their expense.

With the exception of Panama and Liberia, the developing countries want flags of convenience to be phased out and replaced by a "genuine link" between a vessel and the flag it flies.

Accept Iran terms, Reagan urges

BY DAVID BUCHAN IN WASHINGTON

THE U.S. "can and should agree to three of the four conditions listed by the Ayatollah Khomeini on Friday for the release of the American hostages, said Mr. Ronald Reagan, the Presidential Republican candidate.

The Republican presidential contender said the U.S. Government could unfreeze Iran's financial assets, cancel compensation claims against Iran and promise not to interfere in its internal affairs. But the Ayatollah's fourth demand — return of the late Shah's property — was for U.S. courts to determine, Mr. Reagan told a weekend campaign meeting.

This has roughly been the Carter Administration's line in private, and the State Department is now pursuing diplomatic contacts with the Tehran government. But Mr. Reagan clearly hoped to gain a little political capital by uttering it in public.

Mr. Reagan made it clear he differed little with the Administration, when he warned Iranian leaders not to delay in hope of "better terms" from a post-November Republican Administration.

State Department officials, analysing the full text of the Ayatollah's statement, cautioned that the elderly religious leader may have accidentally omitted his previous insistence on a U.S. apology for past action.

The tone of the Ayatollah's speech was as anti-American as ever, and included the charge that the U.S. was behind Iraq's recent skirmishes with Iran.

Patrick Worsnip reports from Tehran: Iran's Majlis (Parliament) today began to address itself to the emotive issue of the American hostages but there was still no firm date for the start of a debate on their future.

The debate was brought closer, however, when the Majlis decided to discuss on Tuesday a report by its Foreign Affairs Commission recommending that the hostage issue be considered in an open session of the House.

● Iran's President and Prime Minister escaped unhurt when an Iraqi MiG fighter fired at their helicopter convoy near the troubled border between the two countries last night, the official Pars News Agency reported today.

President Abolhassan Bani-Sadr and Prime Minister Mohammad Ali Rajai were returning from a reconnaissance flight over the border, where clashes between Iran and Iraq have intensified over the past week.

Following a 12-hour meeting on Saturday, Iran's political and military leaders have decided to "retaliate severely to all further Iraqi attacks," said Mr. Ali Rajai.

Weather

UK TODAY

MAINLY cloudy, some rain and sunny periods.

London, S.E., Midlands, E. England
Mainly dry, sunny periods developing. Max. 22C (72F).

W. England, Wales, Channel Isles
Cloudy, some sun. Max. 20C (68F).

N. Ireland, Isle of Man, N.W. England, S.W. Scotland
Cloudy, heavy rain at times. Max. 17C (63F).

N.E. England, Rest of Scotland
Sunny intervals, some rain. Max. 17C (63F).

OUTLOOK: Changeable, drier and warmer in south.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	24	75	L. Plms.	S	19	84
Algiers	S	30	86	Locarno	F	22	72
Amsdm	C	17	63	London	F	19	66
Athens	S	27	81	Luxmbg.	C	13	55
Bahrain	S	35	95	Luxor	S	37	99
Barclna.	C	24	75	Madrid	S	28	82
Beirut	F	28	82	Majorca	S	27	81
Belfast	R	13	55	Malaga	S	28	82
Bolgrd.	C	19	66	Malta	F	27	81
Berlin	R	16	61	M'chstr.	C	16	61
Biarritz	F	21	70	Melbne.	F	18	64
Bmghm.	F	19	66	Milan	S	24	75
Blackpl	C	15	59	Mntreal.	R	12	54
Bordx.	S	21	70	Moscow	C	17	63
Boulgn.	C	16	61	Munich	C	16	61
Bristol	F	18	64	Nairobi	S	28	82
Brussels	C	16	61	Naples	F	25	77
Budpst.	R	18	64	Nwcstl.	C	10	50
Cairo	S	31	88	N. York	C	22	72
Cardiff	R	16	61	Nice	S	25	77
Cas'b'ca	F	29	84	Nicosia	S	28	82
Cape T.	S	22	72	Oporto	S	21	70
Cologne	C	16	61	Oslo	F	18	64
Cpnhgn	F	16	61	Paris	C	17	63
Corfu	S	27	81	Perth	C	16	61
Dublin	R	14	57	Prague	C	16	61
Dbrvnk	S	25	77	Reykjvk.	F	10	50
Ednbgh.	F	13	55	Rhodes	S	27	81
Faro	S	27	81	Rome	S	26	79
Florence	S	26	79	Salzbrg.	F	18	64
Frankft.	C	15	59	Singapr	F	31	88
Funchal	F	24	75	Stckhm.	R	13	55
Geneva	S	17	63	Strasbg.	C	17	63
Gibrltr.	F	26	79	Sydney	S	32	90
Glasgow	C	12	54	Tangier	S	30	86
G'rnsey	F	17	63	Tel Aviv	S	27	81
Helsinki	C	14	57	Tenerife	F	25	77
H. Kong	C	27	81	Tokyo	S	29	84
Innsbrk	F	19	66	Tunis	S	31	88
Invrnss.	C	12	54	Valencia	F	28	82
I.o.Man	C	14	57	Venice	S	22	72
Istanbul	S	25	77	Vienna	R	14	57
Jersey	F	17	63	Warsaw	C	14	57
Jo'burg	F	23	73	Zurich	F	17	63

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Gold transfers

Continued from Page 1

decide to export. They provide no indication of gold purchased by Middle East clients and subsequently held outside the country.

One reason for the fall in Saudi imports might be that wealthy Saudi investors have stepped up their holdings of gold in foreign deposits following the disturbances in Mecca last year.

London bullion dealers report that this type of buying of bullion deposits has increased from Saudi Arabia and other areas of the Middle East this year.

UK customs figures have already shown that Iran has moved 29 tonnes of gold from Britain this year, partly in response to fears that its overseas assets could be frozen as part of western retaliation over the U.S. hostages.

But Iraq has not previously been identified as a major gold investor. Most of its transfers from Switzerland were recorded in the first three months. This was when the other states were less active and a large quantity of Middle East gold from the Lebanon was coming on to the Swiss market, mainly representing old stocks being sold back to the West during the February/March fall in prices.

It is not certain to what extent the Middle East gold movements represent stockpiling by private investors or additions to official reserves. Few countries in that area provide reliable indications of their bullion reserves. Significantly, the last time that Iraq's gold holdings were published in the reserve statistics compiled by the International Monetary Fund was in 1977.

The low volume of Soviet sales to Zurich—the sole January delivery amounted to 5 tonnes against 214 tonnes in 1979 and 401 tonnes in 1978—was already well known by the bullion market.

There has been considerable speculation that the Soviet Union has been selling gold through bilateral deals with oil producing countries.

The financing burden for Moscow caused by its efforts to help Poland over its economic difficulties may make a resumption of Soviet sales likely towards the end of the year, bullion dealers suggest.

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